

AGRICULTURE (SUGAR SETTLEMENT ORGANIZATION) RULES, 1968

[L.N. 101/1968, L.N. 354/1968.]

[Rev. 2012]

~~1. These Rules may be cited as the Agriculture (Sugar Settlement Organisation) Rules, 1968, and shall apply to the sugar settlement schemes specified in the first column of the First Schedule comprising the areas described in the second column of that Schedule, and to any such area as the Minister may, by notice in the Gazette, prescribe to be an approved sugar settlement scheme.~~

2. In these Rules, unless the context otherwise requires—

“**Board**” means the Sugar Settlement Organization Board established under rule 7;

“**cane**” means the sugar-cane plant (*Saccharum officinarum*);

“**executive controller**” means such person as may from time to time be appointed under rule 5 by the Trustees to be in overall charge of the Sugar Settlement Organization;

“**grower**” means any farmer who has been allotted land within a sugar settlement scheme;

“**scheme**” means any sugar settlement scheme prescribed as such under rule 1; and

“**Trustees**” means the Settlement Fund Trustees appointed under section 167 of the Act.

3. There are hereby established settlement schemes to be known as sugar settlement schemes specified in the first column of the First Schedule comprising the area described in the second column of that Schedule.

4. No person may reside in, carry on business in, or occupy any part of a scheme or graze any stock thereon, unless he is the holder of a valid licence or a letter of allotment granted to him by the Commissioner of Lands or is the authorized dependant of that licensee or letter of allotment holder.

5. The schemes shall be under the control of the Trustees who in order to exercise this control, shall appoint an Executive Controller and such other staff as they deem necessary.

6. The Executive Controller and such other officers as may be appointed under rule 5 shall at all times have full and free access to any land in a scheme in order that they may implement the policy of the Trustees and exercise their powers under these Rules.

7. There is hereby established a board to be known as the Sugar Settlement Organization Board who shall be responsible for advising the Trustees on the general administration of the schemes.

(1) The Board shall consist of the following members—

(a) a chairman appointed by the Trustees by notice in the *Gazette*;

(b) the executive controller appointed by the Trustees under rule 5, who shall be the secretary of the Board;

(c) the Director of Agriculture;

(d) the Director of Settlement;

(e) the Commissioner for Co-operative Development;

- (f) the Senior Sugar Officer of the Ministry of Agriculture;
- (g) seven voting members, who shall consist of one representative elected by the committee of each of the co-operative societies specified in the Second Schedule from among its members:

Provided that election of a representative as a member of the Board shall be valid for a period of one year only, but may be renewed by the committee indefinitely subject to tenure of office as a member for a period of one year at a time as aforesaid;

- (h) two non-voting members elected by the seven members elected under paragraph (g) from among the members of the co-operative societies specified in the Second Schedule.

(2) In the absence of the chairman the Minister may in writing appoint any person to act temporarily as chairman.

(3) In the absence of both the chairman and any person appointed by the Minister in writing to act temporarily in his place the member present at any meeting shall elect any one of their number to act as chairman.

(4) Any person appointed or elected to act as chairman under subrule (2) or (3) shall have all the powers and privileges of the chairman at and in respect of any meeting at which he presides.

(5) If any member appointed under subrule (1)(b), (1)(c), (1)(d), (1)(e) or (1)(f) is for any reason unable to attend any meeting or meetings of the Board, he may in writing appoint any person to represent him at the meeting or meetings, and that person shall thereupon be deemed to be a duly appointed member for all purposes connected with the meeting or meetings.

(6) Every written instrument of appointment under subrule (2), (3) or (5), shall be preserved in the records of the Board.

9. The chairman appointed under rule 8(1)(a) shall hold office for a period of two years but shall be eligible for re-appointment.

10. Notwithstanding anything to the contrary in these Rules, a person shall cease to be a member of the Board—

- (a) upon receipt by the Minister of his resignation in writing; or
- (b) upon his death; or
- (c) if he is certified to be insane or otherwise adjudged to be of unsound mind under any law in force in Kenya; or
- (d) if the Minister declares him to be physically or otherwise incapable of discharging his duties as a member; or
- (e) if he is absent, without the permission of the Board from three consecutive meetings of the Board; or
- (f) if he is adjudged or otherwise declared bankrupt under any law in force in Kenya; or
- (g) if he is sentenced by a court to imprisonment for a term of six months or more.

11. Every member of the Board who is, or is likely to be concerned in, or who participates in, or is likely to participate in, the profits of any contract with or work done for the Trustees otherwise than in his capacity as a member of the Board shall, on the matter coming before the Board for consideration, immediately declare his interest therein, and shall in any case abstain from voting on the matter.

12. The Board shall meet not less than four times in each year, and each meeting shall be convened by means of a notice in writing issued by the secretary of the Board to each member of the Board.

13. A quorum of the Board shall be nine members thereof.

(1) Every decision of the Board shall be by a simple majority of the members present and voting, but the chairman or in his absence any person temporarily appointed or elected to act in his place shall have a casting as well as a deliberative vote.

(2) Subject to these Rules the Board shall regulate its meetings and the procedure thereat.

15. All documents, other than those required by law to be under seal, made by, and all decisions of, the Board may be signified under the hand of the chairman of the Board, or of any member of the Board authorized by the Board in that behalf.

16. The Trustees, after consultation with the Minister for Agriculture, shall lay down the policy with regard to the planting, growing, harvesting and disposal, whether by milling, or use as planting material, or otherwise, of all cane, and all growers shall comply with the instructions of the Trustees pertaining to these operations.

17. The Trustees or their authorized agents shall carry out the following operations unless they grant permission in writing to a grower to carry out the operations himself—

- (a) clear the land and prepare it for cultivation;
- (b) cultivate by machinery and by hand;
- (c) plant cane;
- (d) treat cane in any way to protect it from pests, diseases or damage of any kind;
- (e) harvest cane;
- (f) transport cane;
- (g) burn cane;
- (h) destroy cane; and
- (i) any other operation which the Trustees consider necessary for the production of cane from land in a scheme.

18. A grower shall comply with all instructions given by the Trustees with regard to the preservation of the fertility of the soil, the prevention of soil erosion and the planting, felling, stumping and clearing of trees and vegetation.

19. A grower shall cultivate or establish crops on his holding strictly in accordance with the crop rotation laid down by the Trustees after consultation with the Minister for Agriculture.

20. A grower shall not use any seed-cane, fertilizers or other materials required for production of cane by him, except those as may be supplied from sources authorized by the Trustees.

21. A grower shall not hire or cause to be hired or employ machinery for cane cultivation, harvesting or transport operations without the prior approval in writing of the Trustees.

22. Every grower shall, at his own expense—

- (a) maintain in good order the boundaries of all his holdings and all ditches, water courses, drainage ways and river banks thereon;
- (b) keep his cane free from weeds at all times;

- (c) apply fertilizer to his cane in accordance with the policy of the Trustees; and
- (d) carry out any operation considered necessary by the Trustees for the establishing, maintaining, protecting, harvesting and marketing of cane grown on his holding.

23. In the event of a grower failing to carry out the requirements of rule 22, the Executive Controller shall serve a notice on him in writing requiring him to comply with the requirements within the period specified in the notice. If the grower fails to comply with the notice within the specified period, the Executive Controller shall arrange without further notice to the grower for the work to be performed, and the cost of the work shall be charged in full to the grower together with a further charge for supervision to be assessed by the Executive Controller at not more than the cost of the performance of the work in question.

24. The Trustees may employ an agent for the implementation of, any of the operations specified in rule 17 at such remuneration as may be agreed in each case between the Trustees and the agent; and details of any such agreement shall be furnished to the Board as soon as possible after its execution, and wherever possible the Trustees shall discuss the draft agreement with the Board prior to the execution of the work.

25. The Trustees may delegate the control of any scheme subject to their being satisfied that efficient and economic management will be maintained.

26. All cane grown on a scheme shall be marketed through the Trustees who shall, subject to rules 27, 28 and 29, make payment to a grower for the cane as soon as possible after delivery.

27. The Trustees may adjust the payments to a grower for his cane in order to ensure that his income from the cane is received by him at a steady rate regardless of fluctuations in the rate of his sales of cane.

28. The Trustees may make deductions from payments for cane made to growers in order to create a fund for the purpose of guaranteeing a minimum return for the growing of cane.

(1) The Trustees shall deduct from the sale process due to be paid to each grower in respect of cane grown by him on the scheme the following—

- (a) expenditure incurred or committed on his behalf by the Trustees in making provisions for—
 - (i) the preparation of land for the planting of cane;
 - (ii) the establishment of cane;
 - (iii) the purchase and application of fertilizers and manure;
 - (iv) the purchase and application of insecticides, weedicides and other chemicals;
 - (v) the harvesting of cane; and
 - (vi) the maintenance of roads;
- (b) provision to cover—
 - (i) the general financing of the organisation;
 - (ii) the creation of reserve funds;
 - (iii) the purchase of shares in the equity of the East African Sugar Industries Company Limited;
 - (iv) the repayment of any loan made by the Trustees to a grower;
 - (v) the equalization of a grower's annual income;
 - (vi) the cost of work and supervision charges made under rule 23; and

(vii) any other purpose, which may be provided by the Trustees after consultation with the Board.

(2) The rates of deductions provided for in subrule (1) shall be reviewed by the Trustees in the light of audited accounts.

30. The Trustees shall maintain a separate account for each grower and, not more than one month after the date of delivery of his cane, shall furnish each grower with a statement of account showing the position, as at that date, in respect of all credits, deductions, retentions and payments made to him.

31. If, in any year, the operations of the Sugar Settlement Organization result in a surplus after all expenses and charges have been met and provisions for reserve funds have been made, that surplus shall be utilised in such manner as the Trustees, in consultation with the Board, may determine.

32. Any person who contravenes or fails to comply with any of these Rules or the requirements of a notice served under rule 23, shall be guilty of an offence and liable to a fine not exceeding five thousand shillings or to imprisonment for a term not exceeding six months or to both.

FIRST SCHEDULE

[Rule 1.]

| <i>Settlement Scheme</i> | <i>Description of Land</i> |
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| Muhoroni Sugar Settlement Scheme. | All that area of land comprising:— L.R. Nos. 4231/R (part), 10188 (part), 1630, 1632/2, 10950 (part) 7575 (part), 7575/3, 11257 (part), 641 (part), 643/1/R, 42/1, 642/2, 644/2, 644/3, 644/5, 644/7, 644/8, 644/9, 644/10, 644/11, 644/12, 644/13, 644/14, 644/15, 644/16, 644/17, 644/18, 644/19, 644/20, 644/21, 644/22. |
| Tamu Sugar Settlement Scheme. | All that area of land comprising:— L.R. Nos. 10188 (part), 10951 (part), 10959 (part), 4231/R (part), 1580/1 (part), 1580/2. |
| God Abuoro Sugar Settlement Scheme. | All that area of land comprising:— L.R. Nos. 1580/1 (part), 1613, 1615 (part), 1616 (part), 1617/2 (part), 10188 (part). |
| Songhor Sugar Settlement Scheme. | All that area of land comprising:— L.R. Nos. 1615 (part), 1616 (part), 1617/2 (part), 1622, 1623, 1624, 3069, 6012, 1626 (part), 3105 (part), 3106 (part), 3066, 3067, 3070, 3071, 3068 (part), 3103, 3104, 6073, 10188 (part), 10950 (part), 10951 (part), 10952. |
| Koru Sugar Settlement Scheme. | All that area of land comprising:— L.R. Nos. 640/2, 641 (part), 639/2, 2957, 4788, 11257 (part), 4117 (part), 5433 (part), 4193/7 (part), 5432 (part) 1635, 4193/6/R, 4492, 9519, 7575/2 (part). |
| Fort Ternan Sugar Settlement Scheme. | All that area of land comprising:— L.R. Nos. 7550, 7498, 3767, 633, 1445/R, 1445/2/1, 3113, 1639, 11089, 634, 637/1, 11076, 636/1. |
| Oduwo Sugar Settlement Scheme. | All that area of land comprising:— L.R. No. 3102. |

SECOND SCHEDULE

[Rule 8(1)(g).]

REGISTERED SUGAR CO-OPERATIVES

Muhoroni Farmers Co-operative Society Ltd.

Tamu Farmers Co-operative Society Ltd.

God Abuoro Farmers Co-operative Society Ltd.

Songhor Farmers Co-operative Society Ltd.

Koru Farmers Co-operative Society Ltd.

Fort Ternan Farmers Co-operative Society Ltd.

Oduwo Farmers Co-operative Society Ltd.
