

# MURANG'A COUNTY ASSEMBLY

## THE HANSARD

Tuesday, 13<sup>th</sup> September 2016

The House met at 9.36 a.m.

*(The Speaker Hon. Nduati Kariuki in the Chair)*

### PRAYERS

### PAPERS

#### REPORT OF FINANCE AND ECONOMIC PLANNING COMMITTEE ON MURANG'A COUNTY GOVERNMENT THIRD QUARTER FINANCIAL REPORT FOR THE FINANCIAL YEAR 2015/2016

**Hon. Joseph Kimani:** Mr. Speaker I beg to lay the following report;

That, the report on sectoral committee on Finance And Economic planning on Murang'a County Government Third quarter financial report for the financial year 2015/2016 be laid on the table of the Assembly today Tuesday, September 13, 2016. Thank you Mr. Speaker sir.

### STATEMENT

#### COW OWNERSHIP PROGRAM

**Hon. Joseph Njoroge:** Mr. Speaker, I want to respond to a request for a statement by Hon. Charles Kirigwi on the cow ownership program.

On 12<sup>th</sup> July 2016, a request for statements by Honourable Charles Kirigwi was received by the Chairman Sectoral committee on Agriculture, Livestock and Fisheries. The request for statements was as follows, pursuant to standing order 45 (2) (c). I hereby seek a statement from the chairperson agriculture, livestock and fisheries committee as follows:

1. Was there due diligence on the quality of the breed of cows purchased by the Murang'a County farmers with the facilitation of the Murang'a County Government under the dairy cow breeding program.
2. Is the chair aware of complaints with regard to low milk production of the said cows?
3. In case the answer is in the affirmative of the above questions, what is the department doing?
4. Is the chairman aware that the farmers are not able to repay the loans?
5. Is there a policy for the cow ownership program?
6. How does the Murang'a County government intend the farmers to repay?

Correspondence with the County Executive Committee (CEC) member for agriculture, livestock and fisheries department; in a letter dated July 15<sup>th</sup> 2016, the committee wrote to the CEC agriculture, livestock and fisheries to address the issues raised in the request for statement. The CEC forwarded a response dated 3<sup>rd</sup> August 2016.

**The Speaker:** Order! Can you just answer rather than give us the history of how you got the answer.

**Hon. Joseph Njoroge:** Okay, thank you Mr. Speaker, on response:

1. Yes, due diligence was undertaken; where the cows were evaluated by qualified technical staff from the department of livestock, production and veterinary services to ensure they were of true to breed before purchase by farmers. Technicians also assessed the quality of the cows in the terms of breed type and technical characteristics such as age, and number of calving and pregnancy status and milk production status among other. Anex1
2. Is the chair aware of complains with regard to low milk production of the said cows? Yes, some of the cows are producing very low milk as shown in the

report prepared in December 2012 annex 2. This has largely been attributed to poor management of cows by farmers, poor nutrition, poor feeding of the cows in terms of quality of fodder, nappier, maize stalks, concentrate feeds, maize jam, bran, and mineral salts rocks, and nutritional supplements, morasses. Affordability of quality feeds due to low income hinders many farmers from properly feeding their cows for maximum production. Some farmers also lack proper housing structures for the cows, therefore stressing the cows exposing them to get mastitis and other infections from unhygienic conditions.

3. In case the answer is in the affirmative of the above questions, what is the department doing? The department has pursued the following interventions to ensure sustained production:
  - a. Vetting of beneficiary farmers to assess their preparedness, prior to receiving the cows. The critical way includes the zero grazing unit, amount of order feeding practices, water availability, sources of income to repay the loan and affiliation to a primary dairy cooperative society.
  - b. Conducting filed visits to farmers with cow loan arrears.
  - c. Development of dairy farm training manual and curriculum.
  - d. Deployment of all inseminators, animal health technicians and technical staff to all dairy co-operative societies to train farmers.
  - e. Development of work plan and budget for dairy farmers training respective dairy co-operative society clusters, milk collection centres. Sample of Kandara sub-county where training is on-going is attached; annex five.
  - f. Case by case assessment for terminal illness and recommendation on appropriate actions such as sale or slaughter and buy replacement, submit insurance claims for legally sold animals and for cows that die from insurable causes. Suspend the loan deductions in meantime in liaison with financier.
  - g. Distribution of quality planting materials for napier variety Kakamega 1 and 2, and distribution of about 200 tonnes for free to over 12000 farmers to increase fodder production.
4. Is he aware whether the farmers were unable to repay their loans? Yes some farmers were unable to repay their loans due to low proceeds of milk which the loan was to be repaid from. Poor or delayed loan repayment is arising from breach of agreement on act of Murang'a County Creameries who failed to deduct their monthly repayment from farmers as agreed.  
A few farmers have sold their cows without replacement and even failed to submit the proceeds for loan repayment. Primary dairy societies and Murang'a Co-operative Creameries have failed to follow up such farmers.  
In April 2016 the veterinary and livestock services accessed the loan repayment status and ability and willingness of farmers to service the loan and the reasons therefore and made various recommendations and overall status of loan deduction as at 31<sup>st</sup> May 2016 is attached.
5. Is there a policy for the cow ownership program? Yes there is a policy concept paper on the cow ownership program was submitted to the County Assembly in 2014 guiding on implementation of cow ownership program.
6. How does the Murang'a County Government intend the farmers to repay their loans? It is expected that the beneficiary ought to pay the loan from

milk proceeds. In regard to that the county government has put the following measures to ensure rise in milk production and loan repayment by farmers;-

- a. Training farmers on best practices of dairy husbandry is ongoing.
- b. Exchanging non-productive cows by Murang'a County Creameries.
- c. Working closely with primary dairy cooperative societies who guaranteed farmers to push the farmers to repay their loans.
- d. Return mismanaged cows for rehabilitation in Mariira farm.
- e. Engaging all farmers and making them understand that loan is an individual commitment and must be paid in full.

Committee findings; resulting from documents and meeting CEC and chief officer the committee found that;

1. The cow ownership program was undertaken in two phases; where phase one involved 77 cows sourced from Mariira farm while in phase two 48 cows were sourced from Githunguri farm, 14 cows from Mariira farm and 160 cows sourced locally.
2. In phase two the chief officer confirmed that part of vetting the cows and farmers were also checked on their preparedness. Despite some farmers not qualifying, the exercise ensured that the right breeds were obtained and given to the qualified farmers.
3. Most challenges experienced in phase two were from cows sourced from Githunguri and where farmers were not properly vetted. They were recruited by primary co-operative by filling the form of either class A farmers; that is over 35 years or class B farmers that is below 35 years.
4. The farmers in phase two were not vetted using the same criteria as phase one farmers.
5. Challenges of low milk production were attributed to program undertaken by another department in charge of co-operative which lacks professionals to handle cow ownership program instead of livestock department.
6. In phase one, guarantor agreements were between Mentor Sacco limited and Murang'a county government while in phase 2 the agreement was between Murang'a County Creameries Limited and Mentor Sacco. The Primary dairy societies guaranteed their members and they were liable for monthly loan deductions stipulated in the agreement and letters of offer Annexed.
7. The challenges of dishonesty was cited where some supply half of the milk to Murang'a County Creameries and hawk the other half instead of supplying all the milk to the MCC As required. Other farmers have made false claims of the death of their cows to justify inability to pay loans, other farmers are genuinely refusing to pay the loan claiming that the County government will intervene for them.
8. Internal departmental wrangles and executive declarations are the main obstacles to the success of the programme.
9. The Livestock department have prepared several assessment reports arising from their field work and made recommendations to the County government which have been ignored.

In view of the aforementioned findings, the committee recommends the following;

1. Since the department is working in the best interest of the farmers; farmers should in turn co-operate with the departmental officers and adhere to the agreement while practicing honesty to improve the productivity of the cows.

2. That the dairy society through which the farmers sell their milk may institute legal proceedings on how loans will be repaid by farmers who are unwilling to repay/intentional defaulters.
3. That the department of livestock and veterinary services should be given full autonomy to deal with the entire cow programme in terms of breeding and extension services since the department has expertise and personnel in the area.
4. The task of milk value chain, sale of milk and co-operatives should be handled by the co-operative department to have a clear mandate for each department.
5. The issue of loans repayments by farmers should not be politicized and strict measures taken to ensure full loan recovery. Farmers should be enlightened that loans are individual requirements and must be repaid in full.

In conclusion, the committee in its oversight mandate will continue to follow up on its more and emerging issues of cow ownership programme and report back appropriately. The committee recommends that this response be upheld by Hon. Charles M. Kirigwi; in addition, the committee is open to further perusal of documents by the Honourable Members.

**The Speaker:** Hon. Kirigwi is not in, next, unless there is any question.

**Hon. Joseph Machiri:** I would like to say that we are new people with a new party called Jubilee, not TNA. On Annexure 1, that is the form filled between the buyer and seller of the cows and the recommendation two; that the co-operative society through which a farmer sells milk may institute legal proceedings on how intentional defaulters will pay. The society has to sign as a guarantor. In this page, there is no place where the society signed on behalf of the farmer; my worry is how the society can institute legal proceedings against a farmer whereas the society chairperson never signed.

**Mr. Speaker:** Chair, do you have an answer to that question?

**Hon. Joseph Njoroge:** Mr. Speaker, according to the agreement on Annex 1, it is true that there is no such agreement that the society will repay the loan but according to previous findings we have stated that loan repayments is an individual responsibility and when a person applies for a loan, he/she is sure where he will get the money to repay the loan. According to the agreement, it is for the farmer to play his/her part to repay the loan.

*(Laughter)*

**The Speaker:** Okay. Go on. I do not think that the question has been answered but go ahead.

**Hon. Samuel Wandia:** Mr. Speaker, if you go to the response, it states that a few farmers have sold their cows without purchasing replacements and even failed to remit profits to the financier towards repayment of the loan. primary dairy co-operative societies in Murang'a County Creameries have also failed to follow up on such farmers. Who will repay the money to the financiers? I believe that the County Government of Murang'a had a hand in it; it was a guarantor.

They should be telling us how the financier will recover the money because the statement is very clear yet they are not telling us how that money will be recovered. They should tell us how that money will be recovered so that financier may not result to the County Government of Murang'a because the government of Murang'a County holds public money and this money was lent to an individual.

**The Speaker:** Maybe Hon. Mwicigi would like to assist the Chair because she is a member of that committee.

**Hon. Rebecca Mwicigi:** Mr. Speaker, I am a Member of the County Assembly and a Member of the committee. We perused and went through the papers with the officers of the government who told us that it is very difficult for them to force anybody to pay these individual loans. I was so happy to learn that the chairman of the dairy co-operative society did not sign the forms. When you borrow a loan, it is yours and when you buy a cow it is yours. I am happy that they did not sign because every farmer should take responsibility.

We were told that other farmers are saying that another government is coming. If you know that another government is coming and you have not paid for the cow, yet you think that the government is going to pay for you- that cannot happen because the government did not sign anywhere that they would be the guarantors. They did not sign.

**Hon. Joseph Machiri:** On a point of order Mr. Speaker, ---

**The Speaker:** Yes.

**Hon. Joseph Machiri:** With due respect, this is a dignified House whereby the office bearers have to give nothing but the truth. If you go to bullet six, and I may read with your leave, " In phase one, the guarantor agreements were between the Mentor sacco limited and Murang'a County Government while in phase two, the agreement was between Mentor Sacco Limited and Murang'a County Creameries for a bulk loan". Therefore, it is well stipulated and very clear that, in case, an individual does not pay a loan and in that sense becomes a defaulter, the guarantor automatically pays on behalf of the defaulter.

In this respect, in case that person does not pay for the cow, the government cannot lose public money. We should therefore go for the guarantors who are the dairy society where that farmer takes his or her milk, the Murang'a County Creameries and the Murang'a County Government. In annex one, the sub-county Livestock Production officer has signed on behalf of the County Government.

**The Speaker:** Honourable Members, I do think we are getting anywhere---

**Hon. Rebecca Mwicigi:** On a point of order Mr. Speaker, ---

**The Speaker:** Okay

**Hon. Rebecca Mwicigi:** I am sorry because my chair for Water is a beneficiary of the cow program and he knows a lot.

**Hon. Joseph Machiri:** I am a victim.

*(Laughter)*

**Hon. Rebecca Mwicigi:** Mr. Speaker, in annex one which the farmer signed, there is nowhere that it is indicated that the county government would be the guarantor. Look at that form properly if you know how to read; it is not indicated that it he the guarantor; he only signed that he saw you signing. If you look at that annex one form, even the chairman has not signed, if the society has not signed, you cannot come back to say that the society is going to pay.

**Hon. Duncan Njuguna:** On point of order Mr. Speaker ---

**The Speaker:** There is a point of order by Honourable Duncan.

**Hon. Duncan Njuguna:** Is it in order for the Honourable Member to mislead the House? If she is a member of the Agriculture committee and they resourced the material, that's the form that was being signed and they came up with a recommendation, that's item number six where they have said that the form that was being signed by the County Government, the guarantor and the purchaser of the cow. Is it in order for the Honourable Member to mislead this House?

**The Speaker:** Having perused this so called agreement, I have seen very many agreements but I have never seen this kind of agreement; in my view there is no agreement. This is not the way agreements are written and I do not know what legal advice whoever

made this agreement got because it looks just like a form of details. I am not in agreement and I think the committee should pursue this further and see whether there are any other agreements between the seller and the buyer and the agreement between them and the MCC and the involvement of the government, nobody can call this an agreement and it cannot stand any legal scrutiny. I think it was a very shoddily done work.

**Hon. Samuel Wandia:** With your leave Mr. Speaker, I think we throw out this response, they go back and come with facts on the involvement of the Murang'a County Government and the financier so that we get the right positions of the financing of this project.

**The Speaker:** I tend to agree with that because there is a lot of confusion in this because in your response there are some areas that you say that the government was the guarantor and then you say it was not a guarantor. Then you say it did not sign a form, and then we see the signature of one of the officers of government. It's all mixed up can we go and get a clear picture about this position.

**Hon. Joseph Njoroge:** We will go back to the drawing board and seek all the information from the CEC and report back to the House.

#### SUPPLEMENTARY ORDER PAPER PAPERS

##### REPORT ON PUBLIC PETITION ON GITUAMBA FARM LAND USE LR/KINYONA/LOC.2/786

**Hon. Duncan Njuguna:** I beg to table the following paper;-

The report on public petition on Gituamba farm land use LR/Kinyona/LOC.2/786 be laid on the table of the House today 13<sup>th</sup> September, 2016 morning session.

Thank you Mr. Speaker.

On 12<sup>th</sup> July, 2016 you committed the petition from the Gituamba community to the Land committee and on the same day you gave us 60 days to complete our investigations and give our report and recommendation to this House. We have done that and we invited the petitioners to our committee meeting here in the Assembly where we enquired a lot about the petition and what they would like the committee to help them with.

We also invited the land commission-----

**The Speaker:** Order, I am a bit confused because what is on the order paper is a report on the public petition on the Gituamba farm Land use LR/Kinyona/LOC.2/786 be laid on the table of the Assembly today. Next

#### MURANG'A COUNTY ANNUAL DEVELOPMENT PLAN (ADP) OF THE FINANCIAL YEAR 2017/2018

**Hon. Joseph Kimani:** I beg to lay the following paper;-

Murang'a County Annual Development Plan (ADP) of the financial year 2017/2018 on the table of the Assembly today Tuesday 13<sup>th</sup> September, 2016.

Thank you Mr. Speaker

#### BILLS

##### MURANG'A COUNTY FINANCE BILL 2015 - FIRST READING

*(The Bill was read for the First Time)*

#### ADJOURNMENT

**The Speaker:** Honourable members we adjourn until 2.30 this afternoon. Thank you.

*The House rose at 10:07 a.m.*