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THE CROPS ACT

(No. 16 of 2013)

THE CROPS (COFFEE) (GENERAL) REGULATIONS, 2019

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*Regulation*

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## THE CROPS ACT, 2013

(No. 16 of 2013)

IN EXERCISE of the powers conferred by section 40 of the Crops Act, 2013, the Cabinet Secretary for Agriculture, Livestock, Fisheries and Irrigation, in consultation with the Authority and the County Governments, makes the following Regulations—

## THE CROPS (COFFEE) (GENERAL) REGULATIONS, 2019

## PART I-PRELIMINARY

1. These Regulations may be cited as the Crops (Coffee) (General) Regulations, 2019. Citation.
2. In these, Regulations, unless the context otherwise requires— Interpretation.
  - “Act” means the Crops Act, 2013;
  - “agent” means a registered person who may be appointed by a grower for purposes of facilitation of overseas direct sales with regard to logistics.
  - “association” means a registered group comprised of smallholder growers, co-operative societies, societies, estates, unions, millers, traders or roasters, which has been licensed by a licensing authority;
  - “auction” means the system under which clean coffee is offered for sale at a coffee exchange;
  - “Authority” means the Agriculture and Food Authority established under section 3 of the Agriculture and Food Authority Act, 2013; No. 13 of 2013.
  - “broker” means a person cleared by the exchange and licensed by the Capital Markets Authority, who may be appointed by a grower or an association of growers in accordance with these Regulations, to sell their coffee on their behalf through the Exchange;
  - “buyer” means an incorporated company licensed by the Authority to buy clean coffee at the exchange for export, local sale or value addition or to import clean coffee for secondary processing in Kenya;
  - “Cabinet Secretary” means the Cabinet Secretary for the time being responsible for matters related to agriculture;
  - “certified coffees” means coffees produced under tenets of a recognized certification scheme bearing a certification mark;
  - “clean coffee” means coffee bean or dried seed of the coffee plant separated from non-food tissues of the coffee fruit where the silver skin is reduced to the maximum possible extent; +
  - “coffee” means the plant botanically known as *coffea* species (L.) and includes the fruit, whether on the plant or detached therefrom, the seed in form of either *buni*, parchment coffee, clean coffee, roasted beans or ground coffee;

“coffee business” includes operating a nursery, growing, pulping, milling, warehousing, marketing, trading, roasting and packaging of coffee;

“coffee certification” means a system that distinguishes a coffee product as being sustainably grown on the basis of economic viability, environmental conservation, social responsibility and ensures traceability;

“coffee directorate” means the directorate for the time being responsible for coffee established pursuant to section 11(4) of the Agriculture and Food Authority Act, 2013;

“coffee sales proceeds” means monetary consideration received in exchange for coffee purchased at the auction or through direct sales;

“coffee sample” means a small quantity of coffee, drawn out of a coffee lot to be a representative of that lot of coffee for purposes of display, testing, quality analysis, archiving, marketing or other legal purpose;

“coffee standards” means the Kenya Coffee Standards issued by the Kenya Bureau of Standards;

“coffee year” means a period of twelve months beginning on the 1st October of one year and ending on the 30th September of the following year;

“collateral manager” means a person qualified under these Regulations and appointed by the warehouseman or any other person who has an interest in coffee stored in a warehouse with the intention of monitoring or taking custody of the coffee;

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“co-operative society” means a co-operative society registered under the Co-operative Societies Act and licensed for purposes of these Regulations;

“county government” shall have the meaning assigned to it under Article 176 of the Constitution of Kenya 2010;

“cupping centre” means a coffee quality analysis laboratory;

“digitization” means the conversion of current manual processes into automated and computerized processes; or paper documents into digital formats;

“dealer” means a person registered by the county governments or the Authority to deal with coffee as provided under these Regulations;

“direct sale” means a contractual arrangement between a grower, a co-operative society, society, union, grower-miller, estate or an association of coffee growers and an overseas buyer or local roaster for the sale of own clean coffee based on mutually accepted terms and conditions enforceable in law;

“direct settlement system” means a banking facility provided by commercial banks regulated by the Central Bank of Kenya for clearing and settlement of coffee sales proceeds;

“estate” means an area of land or group of parcels of land under coffee not being less than five acres in size in aggregate or land under

No. 17 of 2015.

coffee which has an average annual production of not less than twenty thousand kilograms of cherry over a period of three years;

“exchange” means a company incorporated under the Companies Act and licensed by the Capital Markets Authority as an exchange for trading in clean coffee;

No.17 of 2013.

“grower” means any person who cultivates coffee in Kenya and may for purposes of licensing, include; co-operative societies, unions, associations and estates;

“grower miller” means a grower who mills own parchment or *buni* or its members’ coffee and includes a co-operative society, unions, association, estate or any other legal entity;

“hulling” means removal of the outer skin of dry parchment or *buni* coffee;

“inspector” means an inspector appointed under the Act and where applicable includes a county inspector;

“Kenya Agricultural and Livestock Research Organization” means the organization established under section 3 of the Kenya Agricultural and Livestock Research Act, 2013 or the national institution mandated by an Act of Parliament to carry out research;

“licensing authority” means the Authority, or the County Government as the case may be;

“liquorer” means a person certified and licensed by the Authority to offer the services of coffee quality analysis;

“liquoring” means analysis of clean coffee to determine the attributes and quality of coffee for purposes of trade;

“miller” means a person licensed by the respective county government to conduct the business of coffee milling ;

“milling” means mechanical hulling or de-husking of parchment or *buni* coffee and includes the polishing and grading of the clean coffee;

“milling statement” means a statement prepared by a miller after the completion of the milling process;

“out-turn number” means an identifying number issued by a miller in respect of coffee delivered to a mill for purposes of traceability;

“primary processing” means the process of removal of coffee pulp from cherry, fermentation, washing and drying to the coffee standard moisture content to obtain parchment;

“prompt date” means a date specified in the sales catalogue, not being more than five working days from the date of the sale, for the payment of coffee sales proceeds by a buyer or a roaster;

“pulping station” means a specified place where primary coffee processing is undertaken;

“roaster” means a person licensed by the respective county government to buy clean coffee under these Regulations for value addition for local sale;

“sales catalogue” means a standard document prepared by a miller or an appointed broker in consultation with the exchange and growers for sale of clean coffee at the exchange;

“secondary processing” means parchment de-husking, polishing, grading and may include roasting, grinding and packaging of clean coffee beans;

“small holder” means a grower cultivating coffee in a small parcel of land or in small parcels of land who does not possess his own pulping station;

“sweepings” means the balance of coffee samples in the exchange sample room and spillages collected from millers’ milling activities for sale at the exchange and the proceeds paid to growers on pro-rata basis;

“trading floor” means the physical space or electronic platform managed by the exchange where the persons licensed to trade in coffee converge for purposes of coffee trading;

“warrant” means an instrument prepared by the warehouseman of which the person named therein, or the last endorsee thereof, shall for all purposes be deemed to be the owner of the coffee to which it relates;

“warehouse” means a facility registered by the Authority and licensed by the county government for the storage of coffee, and which is specifically designed to guarantee the quality and safety of the coffee;

“warehouseman” means a person who possesses skills for the management of a licensed warehouse and is licensed by the Authority; and

“warehousing receipt” means a certificate issued by a licensed coffee warehouseman in respect of coffee stored in a licensed warehouse for purposes of collateral.

3. The object and purpose of these Regulations is to —

Object and purpose.

- (a) to give effect to section 40 of the Crops Act, 2013;
- (b) to provide for licences to be issued by the licensing authorities;
- (c) to provide for the obligations of licence holders and service providers, and the protection and regulation of their interests along the value chain;
- (d) recognize the grower of coffee as the owner of coffee until the coffee is sold and paid for;
- (e) provide for protection of growers’ rights along the value chain;

- (f) provide for a transparent and timely clearing and settlement of coffee sales proceeds to the growers and service providers;
- (g) provide for the collection and maintenance of data related to coffee;
- (h) ensure improvement of coffee standards, increased production and support; and
- (i) regulate the coffee industry in Kenya.

PART II—FUNCTIONS OF THE AUTHORITY AND COUNTY  
GOVERNMENTS

4. (1) The Authority shall, in the performance of its functions, act through the directorate responsible for coffee, to carry out such activities as are necessary to promote, develop and regulate the coffee industry as specified under the Crops Act.

Functions of the  
Authority.

- (2) The Authority shall —
- (a) issue certificates or licences for independent coffee cupping laboratories, liqueurs, and buyers, movement permits for purchased clean coffee, and regulate imports and exports of coffee;
  - (b) register coffee dealers;
  - (c) co-ordinate capacity building activities for players in the coffee value chain;
  - (d) develop, oversee and enforce as the case may be, the national regulations, industry code of practice and other quality standards in the coffee industry;
  - (e) collect, collate and maintain a data base and disseminate information on the coffee industry;
  - (f) conduct local and international coffee market intelligence and promotional activities including the application of the Kenya Coffee Mark of Origin;
  - (g) establish linkages with various government agencies and research institutions;
  - (h) develop and promote policies and strategies for the coffee industry;
  - (i) recommend general guidelines for interaction between various players in the coffee industry;
  - (j) promote the development of regional appellations for Kenyan coffee; and
  - (k) develop, oversee and enforce as the case may be the coffee industry standards and industry code of practice in collaboration with the Kenya Bureau of Standards.

5. (1) The county governments functions shall be as specified under the Crops Act.

County Governments functions.

(2) The functions of county governments shall include—

- (a) registration of nursery operators, coffee growers and pulping station licence holders;
- (b) issuance of coffee nursery certificates and permits for movement of coffee;
- (c) issuance of pulping station, milling, warehousing and coffee roasting licences;
- (d) offering and coordination of extension services on coffee production and primary processing;
- (e) inspection of nurseries, pulping stations, millers roasters and warehouses located within their respective counties;
- (f) enforcement of county and national legislation on coffee, industry code of practice and other industry standards;
- (g) in collaboration with law enforcement agencies, enforcement of regulations and enhancement of security of coffee in the county;
- (h) enforcement of policies and guidelines on corporate governance in coffee growers' institutions; and
- (i) monitoring and report of incidences of pests and disease outbreaks and taking appropriate action in collaboration with the Authority and other relevant government agencies.

6. In accordance with Article 6(2) of the Constitution, the county governments and the Authority shall consult and cooperate in the development, promotion and regulation of the coffee industry.

Collaboration between County Government and the Authority.

### PART III— REGISTRATION AND LICENSING

7. (1) Every grower shall be registered by the county government where his coffee is grown.

Registration.

(2) Every coffee nursery operator, co-operative society, coffee association and coffee estate shall register with the county government where they operate.

(3) A small holder may register with a co-operative society or any other legal entity of which he is a member.

(4) The county governments shall maintain up-to-date registers of all nursery operators, coffee co-operative societies, coffee associations, coffee estates and share the information with the Authority.

(5) The Authority shall register all warehousemen, warehouses, coffee millers, coffee buyers, roasters, brokers, agents, importers, coffee bags suppliers and certification companies, maintain an up-to-date register on them and share the register with respective county governments.

(6) Neither the Authority nor the county governments shall charge any registration fee.

(7) Registration shall take the format prescribed by Form H for growers and Form H1 for dealers in the First Schedule in these Regulations.

8. (1) A person who intends to engage in coffee business shall apply to the Authority or the county government, as the case may be, using the respective application forms and execute a self-declaration form as set out in the First Schedule, and shall be issued with a licence, certificate or permit in the corresponding form set out in the same Schedule, upon fulfillment of all requirements and payment of the prescribed fee set out in the Second Schedule.

Application for a licence, certificate or permit.

(2) The provisions of sub-regulation (1) shall not apply to a person engaged in coffee farming.

(3) A person who deals in coffee shall produce the certificate, permit or license respectively issued under sub-regulation (1) upon request by an inspector or such other authorized persons at all times.

(4) A person who deals in coffee shall submit returns to the licensing authority in the format set out in the First Schedule.

(5) A person who contravenes this regulation commits an offence.

9. (1) A person shall not pulp, mill, warehouse, export, import, trade, transport, possess or otherwise deal in or transact any business in coffee unless the person holds a valid certificate, permit or licence issued by the Authority or the county government for that purpose.

Prohibition against operating without a certificate, permit or licence.

(2) A person who contravenes this regulation commits an offence.

10. (1) The following certificates and licences shall be issued by the respective county government—

Licensing.

- (a) a coffee nursery certificate in Form A2 set out in the First Schedule authorizing the holder to operate a coffee nursery;
- (b) pulping station licence in Form B2 set out in the First Schedule authorizing the holder to operate a pulping station and may undertake hulling;
- (c) a coffee grower's milling licence in Form C3 set out in the First Schedule authorizing the holder to pulp, mill, market or roast own coffee, and
- (d) a commercial miller's licence in Form C4 set out in the First Schedule authorizing the holder to conduct the business of milling coffee at a fee;
- (e) a coffee roaster licence in Form F2 set out in the First Schedule authorizing the holder to buy, roast or grind and package clean coffee for local sale.

(f) a warehouse licence in Form G2 set out in the First Schedule authorizing the holder to warehouse coffee;

(2) The following licences shall be issued by the Authority—

(a) a coffee liqueur's licence in Form L set out in the First Schedule authorizing qualified persons to offer liquoring services;

(b) an independent cupping laboratory licence authorizing the holder to offer coffee liquoring services and training on coffee quality at a fee;

(c) a coffee buyer's licence in Form D2 set out in the First Schedule authorizing the holder to buy clean coffee from the exchange for export, local sale or value addition;

(d) a coffee import permit issued to the holder to authorize importation of processed coffee and shall take the format specified under Form O under First schedule; and

(e) 'warehouseman's licence' in Form G1(A) authorizing qualified persons to offer warehouse management services .

(3) The county governments shall share the information on licence holders with the Authority for the purposes of monitoring the compliance with coffee standards and national regulatory framework.

(4) The Authority shall share the information on licences and permits issued with the county governments

11. (1) A holder of a coffee buyer's licence or any other entity associated with such holder shall not be licensed as a commercial miller, broker, roaster, agent or warehouseman.

Limitation of a coffee licence.

(2) A buyer's licence shall not authorize the buyer to engage in direct sales.

(3) The respective licensing authority may revoke any licence, which is found to be held in contravention of sub-regulations (1) and (2).

(4) A holder of a commercial miller's licence or any other entity associated with such holder either in shareholding or directorship or in any other way, shall not be licensed as a broker, roaster or agent.

12. (1) The issuance of the licences specified under these Regulations shall be subject to the applicants meeting the respective requirements for such issuance set out in Part A of the Second Schedule and payment of the applicable fees as specified in Part B of the same Schedule.

Conditions of licence.

(2) A licence holder shall specify the premises upon which the business specified in the license shall be conducted.

(3) Every licensed person shall comply with the Kenya Coffee Industry Standards, Industry Code of Practice and the Industry regulatory framework.

(4) Every licence holder shall submit monthly returns as required, to the licensing authority.

13. (1) A licensing authority may, after inspection and evaluation of an application received under these Regulations, grant the licence applied for or reject the application.

Licensing procedure.

(2) Where a licensing authority rejects an application, the licensing authority shall notify the applicant accordingly, giving reasons for the rejection within fourteen days from the date of the decision of the licensing authority.

(3) The applicant may resubmit an application following such rejection after addressing the issues raised in the notification from the licensing authority.

(4) Where the licensing authority rejects an application after resubmission under sub-regulation (3), the applicant may appeal to the Cabinet Secretary or in the case of a county government, appeal to the County Executive Committee through the County Secretary within thirty days of notification of the rejection by the licensing authority.

(5) Where an applicant is dissatisfied with the decision of the Cabinet Secretary or the County Executive Committee in sub regulation (4), the applicant may seek judicial recourse within thirty days of the decision.

(6) The licensing authority shall, at least thirty days before granting a new licence under these Regulations, give notice of the proposed grant in the *Gazette* and in such other manner as the authority may determine.

(7) The notice referred to in sub-regulation (6) shall—

- (a) specify the name or other particulars of the person or class of persons to whom the licence is to be granted;
- (b) state the purpose for the proposed licence and indicate the date such licence is proposed to be issued to the successful applicant; and
- (c) invite objections to the proposed grant of licence and direct that such objections be lodged with the licensing authority within fourteen days from the date of the notice.

(8) The licensing authority may after considering the objections, if any, made under this regulation, grant the licence applied for, subject to such terms and conditions as may be specified therein.

(9) The issuance of a licence to an applicant under these Regulations shall not be withheld without reasonable cause.

(10) A licence issued under these Regulations shall not be transferable.

(11) The gazetting of licences under this regulation excludes licences and certificates issued to coffee growers.

14. (1) Licences issued by the licensing authority shall expire on the 30<sup>th</sup> June of every year and license holders wishing to renew the licences may apply by 1st June preceding the expiry of the licence.

Duration of licences.

(2) Notwithstanding the provisions of sub-regulation (1), a late application may be made upon payment of a late application fee as set out in the Second Schedule.

15. (1) The movement of coffee shall be managed through the issuance of movement permits by the licensing authority provided that no movement permit shall be issued under these Regulations to any person other than a licence holder, and the licence holder shall not alter the particulars entered therein.

Movement permits.

(2) A person shall not move coffee or cause any coffee to be moved without an original movement permit issued by the licensing authority in accordance with sub regulation (1).

(3) Duplicate copies or photocopies of the original movement permit shall not be used for coffee movement.

(4) Any vessel used for coffee transportation shall conform to the Kenya Coffee Standards.

(5) The respective county governments shall monitor the movement of parchment coffee between stores and the movement of clean coffee and hulled *buni* to the market in order to ensure that the coffee is safe and to avoid any illegal coffee dealings.

(6) A person shall not transport or be in possession of any coffee unless he is licensed to carry out any of the activities specified in these Regulations and holds a valid original movement permit issued –

- (a) in the case of buni and parchment, by the respective county of origin; or
- (b) in the case of clean coffee from the coffee mills to the warehouses, by the respective county governments;
- (c) in the case of movement of clean coffee by buyers upon purchase, or movement of purchased clean coffee to warehouses by millers, or movement of clean coffee for export or import, permits shall be issued by the Authority.

(7) Sub regulation (2) (a) shall not apply to a smallholder moving own coffee between the farm and the pulping station where he is registered.

(8) A coffee movement permit shall take the format prescribed under the First Schedule to these Regulations.

(9) A person who moves coffee contrary to this regulation commits an offence.

16. (1) Licence holders and other service providers under these Regulations shall observe the obligations set out in the Third Schedule.

Obligations of licence holders.

(2) The obligations set out in the Third Schedule shall form part of every contract between a grower and a grower's respective service provider or agent whether expressly provided for in the contract or not.

(3) All service agreements entered under these Regulations shall be registered with the Authority and the respective county governments.

#### PART IV—PRODUCTION AND PROCESSING

17. (1) Data on area of coffee planted or uprooted within a county shall be maintained by the respective county government.

Notification after planting, uprooting coffee or change of details of farm or estate.

(2) A co-operative society or other legal entity shall maintain growers' records of number of trees planted or uprooted.

(3) The co-operative society or other legal entity shall notify the county government of the details maintained under sub regulation (2) and as specified in Form H set out in the First Schedule.

(4) The county government shall file the growers' registers with the Authority annually.

18. The Authority and the county governments shall enforce the coffee industry code of practice and standards on the coffee production, processing, marketing and quality control.

Coffee Industry Standards and Code of Practice.

19. (1) The Authority shall promote coffee certification schemes for Kenyan coffee and geographical indications.

Certification of Kenya Coffee.

(2) The certification schemes operating within the coffee industry shall register with the Authority prior to the commencement of their operations in Form I set out in the First Schedule.

(3) Certified coffee shall be identified and labelled according to the respective certification schemes for traceability and marketing.

(4) A coffee grower, miller or any other player in the coffee value chain may seek certification to ensure the quality of coffee, the quality of service and secure market confidence.

(5) A miller shall declare certified coffees in the sales catalogue.

(6) Certified coffee shall be traded in accordance with these Regulations and any other laws that may govern the exchange.

(7) A coffee miller shall provide documentary proof of certification to the exchange before such coffees are offered for sale.

20. (1) Coffee research shall be undertaken by the Kenya Agricultural and Livestock Research Organization, higher institutions of learning or private entities accredited by the National Commission for Science, Technology and Innovation:

Research and Prohibition of issuance of coffee seeds or seedlings.

Provided that such research findings shall be validated by the Kenya Agriculture and Livestock Organization before rollout and application by coffee growers.

(2) The Kenya Agricultural and Livestock Research Organization or its authorized agents operating coffee seed production units under their supervision, shall issue certified coffee seeds or seedlings for multiplication in any coffee nursery for distribution to any other grower or for export.

(3) Notwithstanding the provisions of sub-regulation (2) any person who issues coffee planting materials for multiplication or distribution other than the Kenya Agricultural and Livestock Research Organization shall obtain certification from institutions legally mandated by statute to issue certification.

(4) A person shall not establish or operate a coffee nursery unless the person is licensed by the respective county government.

(5) The Authority may upon application, licence a person to import coffee planting material for nursery establishment subject to conditions set out under the Second Schedule.

(6) A person shall not be issued with a coffee nursery licence, unless an inspector—

- (a) visits and inspects the site and is satisfied that the site is suitable for establishment of a nursery; and
- (b) is satisfied that the nursery licence holder or their agents have adequate knowledge of nursery management and production techniques.

21. (1) The primary processing of coffee shall be carried out by an estate or a grower's co-operative society or other association comprising growers under a pulping station licence.

Requirements relating to coffee pulping.

(2) The pulping station licence shall include authority to undertake hulling of own parchment or *buni*, provided the hulling activity is registered with the County Government and shared with the Authority

(3) Where the licence holder is a co-operative society or other association comprising growers, it shall—

- (a) appropriately weigh each grower's cherry using digitalized coffee weighing scales and post the information on quantity and quality to the grower and to a central database made accessible to the grower, for traceability:

Provided that the cooperative society or such other association which does not have digitized weighing and information systems shall put the same in place within a period not exceeding twelve months upon the commencement of these Regulations;

- (b) coffee weighing scales shall be annually calibrated by the government agency responsible for weights and measures and such calibration evidence shall be appended to the weighing scales in form of seals;

- (c) in handling parchment, do quality analysis of the dry parchment prior to storage and shall only mix parchment that is of similar quality; and
- (d) insure the coffee against loss and damage while at the station and in transit and reinforce the security of the station to guard against theft of coffee.

(4) The licence holder shall allow free access to the premises by the inspectors authorized by the respective licensing authorities for inspection to ensure compliance of the licence holder with these Regulations.

(5) The licence holder shall submit returns on the coffee received and processed to the respective county governments in the format set out in the First Schedule.

(6) The licence holder shall comply with the requirements set out in the Schedules to these Regulations.

22. The milling of coffee may be carried out by—

- (a) an estate, a grower's co-operative society or other entity representing the grower, under a coffee grower's milling licence; or
- (b) a commercial miller under a commercial miller's licence.

Requirements relating to coffee milling.

(2) Coffee milling shall only be conducted at premises that are specified under the license issued by the respective county government as such in the register maintained by the Authority.

(3) A coffee miller shall allocate an out-turn number for every coffee delivered and received for purposes of traceability.

(4) A commercial miller shall ensure that the grower or grower's representative is given reasonable notice to be present during the milling process.

(5) A coffee miller shall take out comprehensive insurance cover against fire, theft, and other risks for all coffee in its possession and custody.

(6) Every miller shall account for mill spillage or sweepings and all other coffee by-products to the growers and the Authority.

(7) Every miller shall digitize its operations to ensure weight precision, timely dissemination of information and protection of growers' data:

Provided that a miller who does not have digitized weighing and information systems shall put the same in place within a period not exceeding twelve months upon the commencement of these Regulations.

(8) The county governments and the Authority shall, separately or jointly undertake regular inspections to ensure compliance with these Regulations by the coffee mills.

(9) A coffee grower may deliver coffee samples not exceeding 500 grams of parchment or *buni* for independent quality analysis prior to the actual delivery to a commercial coffee miller and such laboratories shall issue the grower with a quality report.

(10) A coffee miller shall remit 200 gram samples for each grade of an out-turn to the Authority for quality analysis and assessment of conformity with coffee standards.

(11) A miller shall submit returns on coffee received and milled to the Authority and the respective county government in Form C5 set out in the First Schedule.

(12) A coffee miller shall comply with the Kenya Standard coffee grades set out in the Fifth Schedule and the, regional and international coffee standards.

(13) A coffee miller may bulk parchment or *buni* coffee to attain millable quantities and shall ensure only coffees of similar qualities are bulked for purposes of preservation of the quality and general characteristics:

Provided that the coffee miller shall avail such information to the Exchange and the direct settlement system provider on proportions of the bulked coffees for purposes of processing payments.

(14) For purposes of marketing under direct sales, a miller may categorize and bulk coffee as per the instructions of the grower to meet specific market requirements as instructed by the overseas buyer..

(15) A co-operative society or other legal entities representing smallholder growers shall competitively procure services of the miller or other service providers to whom the coffee is intended to be delivered before entering into such contracts in the Form J as set out in the First Schedule.

(16) The terms of agreement between a licensed grower and a commercial miller for the milling of coffee shall be reduced into writing and shall be in the form set out in the Fourth Schedule.

#### PART V—COFFEE TRADING AND MARKETING

23. (1) Kenya Coffee shall be traded through—

Coffee trading.

(a) the exchange; and

(b) direct sales.

(2) The prices offered at the direct sales shall be competitive and bear a favorable comparison to those discovered at the exchange.

(3) A buyer, roaster, or a grower miller licensed by the relevant licensing authority, or a broker appointed by the grower, may trade at the auction in accordance with these Regulations and any other laws that may govern the exchange.

(4) A buyer shall remit to the Authority a sample of 200 grams of clean coffee representing the consignment destined for shipment to

the overseas buyer for purposes of arbitration in case of disputes and for quality control.

24. (1) A licensed grower, other legal entity representing growers may undertake direct sales. Direct sales.

(2) A licensed grower or other legal entity representing growers may sell own clean coffee to licensed roasters for local value addition and sale, provided that the roasters shall comply with requirements set by the licensing authority and meet the obligations under the Third Schedule.

(3) A licensed grower, or other legal entity representing growers shall notify the Authority and the respective county government of the direct sales and the notification shall include the following—

- (a) a copy of the contract;
- (b) the coffee grade;
- (c) the coffee quantity;
- (d) the coffee price;
- (e) details of a certification scheme, where applicable;
- (f) quality report;
- (g) mode of payment; and
- (h) a dispute resolution clause.

(4) Direct sales shall be conducted according to the guidelines issued by the Authority in consultation with the county governments under the Sixth Schedule.

(5) The notification shall be deposited at the Authority for registration and facilitation with exportation documentation.

(6) A certificate of inspection shall be issued by the Authority on coffee to be sold under direct sales in the format prescribed under the Sixth Schedule.

25. (1) The exchange shall manage the auction floor, central sample room, information registry and the direct settlement system, maintain records relating to coffee sales, coffee samples and sweepings, and avail sales catalogues to interested parties. Management of the auction.

(2) The proceeds of the sale of coffee by the auction shall, be deposited in a direct settlement system established in accordance with the laws that govern the exchange.

(3) The grower or the grower's authorized representatives, shall after the commencement of these Regulations, supply through the exchange all the necessary particulars of the grower to the commercial banks providing the direct settlement system to the grower, for purposes of initiating the settlement system

(4) The grower or the grower's authorized representatives shall through the exchange also lodge with the commercial banks providing

the direct settlement system, any relevant contracts of service for which payment will be due from the grower, and any other document showing outstanding liabilities payable by the grower, for purposes of settlement through the system.

(5) The particulars supplied shall take the format prescribed by Form H set out in the First Schedule.

(6) The grower or the grower's authorized representatives and the exchange shall ensure that the information provided under sub-regulations (3) and (4) herein above is correct and relevant and they shall be liable for any loss or other consequences resulting from any incorrect information given to appointed commercial banks providing the settlement system.

(7) The Direct Settlement System provider shall remit coffee sales proceeds to the coffee growers and settle service provider's fees and other liabilities within five working days from the receipt of the proceeds of sale of coffee.

(8) The trading of coffee at the exchange shall be in accordance with these Regulations and any other laws that may govern the exchange and shall comprise the following—

- (a) a miller shall deposit clean and graded coffee at a designated licensed warehouse, and where the clean coffee is a bulk, the miller shall provide details of the bulk and the proportions of the respective growers' coffee;
- (b) coffee shall meet the Kenya coffee quality standards for commodity trading at the exchange;
- (c) the warehouseman shall issue a coffee warrant in the form set out in the Eighth Schedule or transferable warehouse receipts as the case may be, stating the quantity and quality of the coffee deposited and ensure traceability of the coffee;
- (d) for purposes of sale, the grower miller or appointed broker shall input the details of the coffee warrant or warehouse receipt as the case may be, into the central registry of the exchange;
- (e) the warehouseman shall guarantee delivery of the coffee described in the coffee warrant or warehouse receipt as the case may be, and in the event of loss or failure of delivery, the warehouseman shall be liable;
- (f) The warehouseman or an appointed collateral manager shall confirm that the warehouse receipt or coffee warrant as the case may be, is valid by inspecting and auditing coffee in the warehouse;
- (g) upon verification, details in the information registry shall be confirmed into the central order book ready for trading;
- (h) the exchange in consultation with grower millers or appointed brokers shall set the volumes, lot sizes, dates and times for holding of coffee auctions and determine the

order of the sales catalogues for every sale and ensure that reasonable access to the auction is given to all persons licensed to trade;

- (i) the grower shall, either directly or in consultation with the broker, set the reserve price for the coffee for every sale taking into account the quality of the coffee, the prevailing exchange prices and the international production and market trends;
- (j) where a bid for coffee at the auction has not been confirmed, the grower miller or broker shall disclose the reserve price at the trading floor and where the disclosure of the reserve price does not attract any competitive offers, the coffee shall be withdrawn and re-offered for sale at a subsequent auction.
- (k) all trading in coffee at the exchange shall be concluded at the trading floor of the exchange;
- (l) once auction is complete, successful bidders shall be invoiced by the grower miller or broker and payments of the proceeds shall be effected to the grower through direct settlement system net of contract and statutory charges;
- (m) upon confirmation of payment by the direct settlement system and endorsement by the exchange, title to coffee shall be transferred to the overseas buyer or roaster by changing ownership details in the coffee warrant or warehouse receipt, as the case may be, at the central registry;
- (n) the new owners will thereafter be at liberty to take delivery of the coffee; and
- (o) a coffee warrant or warehouse receipt as the case may be, issued by the warehouseman to a depositor of coffee shall be transferable to a new holder who has purchased the coffee and is entitled to take its delivery upon presentation of the coffee warrant or warehouse receipt endorsed by the exchange to the warehouseman.

(9) The exchange shall disseminate market information for every auction and an analysis of performance on, weekly and monthly basis.

(10) The obligations of the exchange and the direct settlement system provider shall be as set out in the Coffee Exchange Regulations and these Regulations.

(11) A person who contravenes this regulation commits an offence.

26. (1) A grower miller or an appointed broker, in consultation with the commercial miller shall prepare a sales catalogue in consultation with the exchange and growers, for all the coffee in a licensed warehouse in accordance to the exchange regulations and these Regulations.

Sales catalogue.

(2) A sales catalogue shall contain the particulars set out in the Seventh Schedule.

27. The Authority may co-ordinate coffee stakeholders, including County Governments, growers and buyers at national and international events for the purpose of promoting Kenya coffee.

Coffee promotions.

28. (1) All coffee shall be stored in warehouses duly licensed by the respective county governments. .

Coffee warehousing in designated warehouses.

(2) Premises shall not be designated as a coffee warehouse by the county government unless the premises are inspected, approved, and licensed by the county government .

(3) A licensed warehouse shall conform to the standards issued by the Kenya Bureau of Standards and shall be duly certified by a public health officer.

(4) The Authority and county governments shall inspect warehouses and warehousing activities on a regular basis.

(5) A warehouseman shall not have a lien of any nature over coffee whether the coffee is in his possession or not.

(6) A warehouseman shall insure all coffee in his warehouse or under his custody against fire, theft and other insurable risk.

(7) Coffee shall not be removed from a warehouse without an endorsed coffee warrant or warehouse receipt as the case may be.

(8) A warehouseman shall account for any weight or quality loss to the growers, agents, buyers or roasters.

(9) A person who operates a warehouse contrary to this regulation commits an offence.

29. (1) A person shall not export coffee or cause any coffee to be exported unless a phytosanitary certificate issued by the competent authorities is presented to the Commissioner of Customs and Excise.

Export and import of coffee.

(2) The Authority shall authorize all coffee exports through issuance of the coffee buyer's licence, notification and registration of direct sales contracts, Certificate of Origin, certificate of quality and movement permits.

(3) The Authority shall authorize coffee imports through issuance of import permits or a buyer's licence:

Provided clean coffee imports shall be accompanied by the Certificate of origin and a Phytosanitary certificate issued by country of origin.

30. (1) A person who blends any or various grades of coffee produced in Kenya with any other coffees produced outside Kenya shall declare the percentage of Kenyan coffee in the blend.

Prohibition against blending.

(2) A person who contravenes this regulation commits an offence.

31. Clean coffee which consists only of a sample or a parcel not exceeding twenty kilograms in weight shall not require a buyer's license from the Authority provided that it fulfils other relevant licensing and certification requirements.

Exemption.

#### PART VI—QUALITY ASSURANCE

32. (1) The Authority and county governments shall collaborate in the enforcement of coffee industry standards along the value chain, for purposes of quality assurance.

Quality Assurance for Coffee Industry.

(2) The Authority, in consultation with an accredited university of higher learning, and industry stakeholders, may develop a training curriculum, conduct examinations and jointly issue certificates for coffee liquorers.

(3) The Authority may enter into a memorandum of understanding with an accredited university in the training and administration of liquorers' examinations.

(4) A person certified as a liquorer shall apply for a practicing licence to the Authority to offer liquoring services.

(5) The Authority shall, in collaboration with county governments, establish cupping centers in the counties for the purpose of coffee quality analysis and capacity building.

(6) Coffee quality analysis at the cupping centers shall be carried out by certified liquorers.

(7) Quality Assurance officers from the Authority shall carry out assessments on coffee quality maintenance at any premises that handles coffee along the value chain.

(8) The Authority shall upon application, licence a cupping centre subject to conditions set out under the Second Schedule.

(9) The Authority shall be at liberty to sample coffee at any stage of the value chain from the primary factories to mills, warehouses, roasting facilities, export consignments and coffee exchanges for analysis to ascertain the pesticides residue levels and ensure compliance with the maximum permissible residue levels at Kenya's coffee market destinations locally and internationally.

(10) The Authority in consultation with county governments shall monitor maintenance of pesticide spraying records by coffee growers to enforce compliance with the permissible pesticides residue levels in coffee beans.

(11) The Authority shall inspect coffee storage bags, wholesalers, suppliers, manufacturers and importers to check against

potential contamination and samples of such coffee bags shall be subjected to relevant tests for possible contaminants.

33. (1) The Authority and the county governments, shall separately or jointly conduct inspection of coffee farms, coffee nurseries, pulping stations, coffee mills, warehouses, cupping centres, roasters or coffee buyers' vessels transporting coffee to ascertain compliance with the requirements of the Act and these Regulations.

Inspections.

(2) A smallholder, a grower, a pulping station operator, a transporter, a miller, a warehouseman or a buyer shall accord an inspector full and free access and all necessary assistance during the inspection.

(3) An inspector shall have the following minimum qualifications—

- (a) a degree from an accredited university in agriculture, agricultural engineering, or a related course;
- (b) three years' minimum experience in agriculture or related field;
- (c) satisfies chapter six of the Constitution;
- (d) has English and Kiswahili languages proficiency;
- (e) computer literacy; and
- (f) any other additional requirement by the licensing authority.

(4) The Authority shall gazette inspectors upon their appointment.

34. (1) The Authority shall issue annual standards conformity certificates to coffee millers, warehousemen, buyers and roasters in a format prescribed by the Authority and such certificates may inform county governments in the renewal of licences .

Conformity certificates and compliance reports.

(2) The Authority shall issue to county governments reports on the compliance with standards and the regulatory framework by nursery operators and pulping station licence holders and such reports may inform renewal of licences.

35. A person shall not, except with express written authority of a grower, remove labels or seals or open technically sewn or closed packets of coffee unless for the purpose of inspection to determine their validity and genuineness or for other lawful cause.

Prohibition against removal of labels, seals, etc.

36. (1) All coffee imported to Kenya shall conform to the Kenya coffee standards.

Coffee Imports to conform to standards.

(2) Clean coffee imported shall be accompanied by a certificate of origin from the country of origin.

(3) Coffee, which does not conform to the Kenya coffee standards shall be destroyed upon an order of a court of competent jurisdiction obtained in proceedings instituted by the Authority with due notice to the importer, and the import and permit of the owner may be suspended and subsequently cancelled.

37. (1) The Authority and county governments shall jointly or separately conduct periodic surveillance among growers, pulping stations, millers, roasters, processing plants, warehousing facilities, transporters, retail outlets, border points, and buyers' premises to assess the degree of compliance with the coffee industry policy, standards, code of practice, laws and the general well-being of the coffee industry.

Surveillance.

(2) Surveillance reports will be shared with county governments for purposes of standards and the regulatory framework enforcement.

#### PART VII—GENERAL PROVISIONS

38. (1) The Authority, county governments, every licence holder, certificate holder and service provider shall digitize and automate their operations for efficient service delivery and information dissemination.

Digitization.

(2) The digitization process shall ensure—

- (a) multiple parties can access a common system;
- (b) flow of data takes place seamlessly across the value-chain without corruption;
- (c) the system is safe and secured and protected against unauthorized entry or access;
- (d) access to the system is properly regulated and monitored with adequate mechanisms for continued integrity; and
- (e) the records are not lost, destroyed or tampered with, and in the event of any loss or destruction, sufficient back-up is available in a secure place.

(3) The digitization referred to in sub-regulation (1) shall require the conversion of the entire value chain into a digital platform based on automation, computerization, integration across the value-chain and digital instrument usage including weigh scales, digital scanners, storage and inventory management.

(4) The digitization and automation referred to in this regulation shall be put in place within a period of twelve months from the date of commencement of these Regulations.

39. (1) The county governments shall share the information on registered and licensed growers and dealers with the Authority on a monthly basis or other agreed timelines.

Sharing of information.

(2) The Authority shall share the information with the respective county governments on registered and licensed dealers and other service providers within their county on a monthly basis or other agreed timelines.

40. Where any dispute arises between any two or more persons contracted, licensed or registered under these Regulations, the dispute may be resolved through alternative dispute resolution mechanism in the first instance with judicial proceedings as the last resort.

Dispute Resolution.

41. (1) A person shall not alter any document issued by a licensing authority or any other competent authority. Alteration of documents.
- (2) A person who contravenes this provision commits an offence.
42. Any person contracted to produce and market specialty coffee shall give access to persons authorized by the Authority to inspect the farms, processing facilities, warehouses and vessels transporting coffee and shall, when required to do so, produce for the purpose of inspection, any document or information related to production, processing and export of the coffee. Inspections for specialty coffee.
43. A person who fails to give information or gives inaccurate or misleading information or falsifies information or misrepresents information required under these Regulations commits an offence. Inaccurate, misleading or false information.
44. (1) A person who commits an offence under these Regulations, for where no penalty is provided, shall be liable upon conviction, to a fine not exceeding five hundred thousand shillings or to a term of imprisonment not exceeding one year or to both in accordance with section 37 of the Act. General penalty.
- (2) Notwithstanding the provision of sub regulation (1), the licensing authority may suspend or revoke a license issued under these Regulations.
45. The Coffee (General) Rules 2002 are revoked. Revocation L.N No 79 of 2012.
46. Without prejudice to the generality of regulation 45— Transitional provision.
- (a) all licenses existing before the coming into operation of these Regulations shall remain valid until their expiry, and subsequent licenses shall be issued under these Regulations;
- (b) any contract entered into and any requirement as to the particulars to be entered in any contract used for the purposes of the Coffee (General) Rules, 2002 and insurance policy, performance bond or any bank guarantee issued which was in force immediately before the date of commencement of these Regulations shall remain in force and have effect as though prescribed under these Regulations, until their next date of expiry.

## FIRST SCHEDULE

(r.8(1))

COUNTY GOVERNMENT OF .....

Form A1

## APPLICATION FOR A COFFEE NURSERY CERTIFICATE

## (1) Personal Information

Name of Applicant: .....

(Attach National ID/Passport)

Nature of application:

New [ ] Renewal [ ]

County: .....sub- county.....

Ward.....Village/Road.....

Nearest public institution.....

Land Registration No/Plot No .....

*(Attach copy of Title deed, lease agreement, official search, or other supporting document.)*

Contact Details:

Postal Address .....

Email .....

Telephone:

Where the applicant is a company, co-operative society, association or society, supply the respective County Government with:

- (a) A certified copy of certificate of incorporation/registration;
- (b) A certified copy of the official list of directors/ constitution/by laws;

## (2) Nursery Category (tick as appropriate)

(a) Commercial

(b) Private

Application is hereby made for a certificate to operate a coffee nursery. The particulars given are hereby certified to be correct.

## REQUIREMENTS:

The coffee nursery certificate requirements shall be as provided in these Regulations.

Date: .....Signed: .....

## (3) County officer recommendations

.....  
.....  
.....  
.....

5. Nursery certificate Approval

FOR OFFICIAL USE
Approved/Not Approved.....
County Officer's name..... Designation.....
Signature.....Date.....
Stamp:

## FIRST SCHEDULE

*(r.10(1)(a))*

## COUNTY GOVERNMENT OF .....

Form A2

## COFFEE NURSERY CERTIFICATE

Valid from .....to.....

Name of certificate holder: .....

Postal Address .....

Email.....

Telephone: .....

County.....Sub-county.....

Ward .....

Village/Road.....

L.R. No. or Plot No: .....

Nursery Code: .....

Nursery Category (tick as appropriate)

(a) Commercial

(b) Private

Is hereby certified to operate a coffee nursery on the specified L.R. No/Plot no.....

Issued by

The CEC responsible for Agriculture.....

(Or authorized Officer)

Designation.....

Signature.....Date.....

Stamp:

Terms and conditions:

1. The Nursery certificate holder shall maintain records of source of seed, amount of allocated seed, seedlings raised and seedlings sold, as the case may be.
2. The Nursery certificate holder shall remit returns to the respective County government on an annual basis.
3. The source of seed/seedlings shall be the Kenya Agricultural and Livestock Research Organization or its authorized agents provided that any imported seed shall undergo phytosanitary certification by Kenya Plant Health Inspectorate Service.
4. A coffee nursery certificate may be suspended where the certificate holder, without any good reason acceptable to the County government, fails to submit returns.



<i>No.</i>	<i>Date</i>	<i>Name of Buyer</i>	<i>ID/Passport /Registration Number</i>	<i>Mobile No.</i>	<i>Receipt No. Issued</i>	<i>Variety (specify)</i>	<i>Total</i>	<i>Remarks</i>
2								
3								
4								
5								
		Total						

Prepared by:

Name:..... Designation:.....

Signature:..... Date:.....

Stamp:.....

## FIRST SCHEDULE

*(r8(1(1))*

Form B1 COUNTY GOVERNMENT OF .....

## APPLICATION FOR PULPING STATION LICENCE

1. Name of Applicant: ..... (Individual/organization)
  2. Postal Address.....Postal Code.....  
E-mail..... Telephone.....
  3. County.....Sub-County.....  
Ward..... Village/Road.....Nearest Public Institution .....
  4. Proposed Name of farm (where applicable): .....
  5. L.R. No .....
- (Attach copy Title Deed, lease agreement, official search or other supporting document).
6. Where the applicant is a company, co-operative society, association or society, supply the respective County government with:
    - (a) A certified copy of certificate of incorporation/registration;
    - (b) A certified copy of the list of directors/officials.
  7. Application is made for a pulping station licence in accordance with the particulars given above, which are hereby certified to be correct by the applicant(s): -
 

Name.....Signed.....Date.....

Name.....Signed..... Date.....

Name.....Signed..... Date.....
  8. Land under mature coffee (acreage).....No of Trees.....variety.....
  9. Production for immediate past three years, where applicable.

Year	Production (kg)

10. Authorized County Agriculture officer's recommendations:

.....

<p>OFFICIAL USE</p> <p>Issued by</p> <p>The CEC or authorized County Agriculture Officer's Name..... Designation.....</p> <p>Signature.....Date.....</p> <p>Stamp:</p>
--

## FIRST SCHEDULE

(r.10(1)(b))

Form B2

COUNTY GOVERNMENT OF.....

## PULPING STATION LICENCE

Valid from .....To.....

1. Name.....Grower's Code .....

2. Contacts:

Postal Address.....

E-mail.....

Telephone: .....

3. Location:

County ..... Sub County. . .....

Ward..... Village/Road.....

Name of farm (where applicable): .....

Is/are hereby authorized to operate a factory for the pulping of cherry and may undertake hulling of own parchment or *buni*.

Issued by:

The CEC or authorized County Officer's name..... Designation.....

Signature..... Date.....

Stamp:

*Subject to the terms and conditions:*

1. This licence shall be only for pulping own coffee.
2. The pulping licence holder shall comply with the Coffee Industry Code of Practice and Standards.



## FIRST SCHEDULE

(r.21(5))

FORM B4

COUNTY GOVERNMENT-----

## PULPING STATION LICENCE

## ANNUAL RETURNS ON PRODUCTION AND SALES

Cooperative Society.....Grower's Code .....

Crop Year.....FACTORY NAME .....

## COFFEE SALES

Factory Name	Coffee Type	Production (Kgs)	Clean Coffee (Kgs)	Gross Sales (Kshs)	Net miller or broker(Kshs.)	From or	Factory Expenses	Rate Per Kilo Cherry (Kshs)	% Pay On Net
	CHERRY								
	MBUNI								
	CHERRY								
	MBUNI								
	CHERRY								
	MBUNI								
	CHERRY								
	MBUNI								
	CHERRY								
	MBUNI								

## FIRST SCHEDULE

(r8(1))

COUNTY GOVERNMENT OF.....

FORM C1

## APPLICATION FOR GROWER MILLER LICENCE

1. Name of applicant.....
2. Nature of application:  
New [ ]                      Renewal [ ]
3. Postal Address: ..... Postal Code .....
4. Email.....Mobile number.....
5. County.....Sub-County .....
6. Ward.....Village/road.....
7. L.R. No. / Plot No.....
8. Where the applicant is a company, co-operative society, association or society, supply the respective County government with:

- (a) A certified copy of certificate of incorporation/registration;
- (b) A certified copy of the list of directors/officials.

9. Application is made for a coffee grower miller licence in accordance with the particulars given above, which are hereby certified to be correct by the applicant(s): -

Name.....Signed.....Date.....

Name.....Signed.....Date.....

Name.....Signed.....Date.....

10. Milling capacity:-

a) Parchment.....tonnes per hour

b) Buni.....tonnes per hour

11. Mill certification (if any): .....

12 Application is made for:-

*(tick as appropriate)*

a) Milling own coffee [       ]

b) Marketing own coffee [       ]

c) Roasting, grinding/packaging own coffee [       ]

12. Application is hereby made for a coffee grower miller licence.

The particulars given are hereby certified to be correct.

Applicant Signature.....

Date .....

Stamp.....

## FIRST SCHEDULE

(r8(1))

## FORM C2

## COUNTY GOVERNMENT OF

## APPLICATION FOR A COMMERCIAL COFFEE MILLING LICENCE

1. Name of applicant.....
2. Nature of application:  
New [ ]                      Renewal [ ]
3. Postal Address: ..... Postal Code .....
4. Email..... Mobile number.....
5. County..... Sub-County .....
6. Ward..... Village/road.....
7. L.R. No. / Plot No.....
8. Where the applicant is a company, co-operative society, association or society, supply the Authority with:
  - (a) A certified copy of certificate of incorporation/registration;
  - (b) A certified copy of the list of directors/officials.
  - (c) A comprehensive insurance policy

9. Application is made for a coffee milling licence in accordance with the particulars given above, which are hereby certified to be correct by the applicant(s): -

Name..... Signed..... Date.....  
 Name..... Signed..... Date.....  
 Name..... Signed..... Date.....

10. Milling capacity:-

- c) Parchment.....tonnes per hour
- d) Buni.....tonnes per hour

11. Mill certification (if any): .....

12. Application is hereby made for a commercial coffee milling licence. The particulars given are hereby certified to be correct.

Applicant Signature.....

Date .....

Stamp.....

FIRST SCHEDULE

(r 10(1)(c))

COUNTY GOVERNMENT OF.....

FORM C3

GROWER MILLER LICENCE

Name .....

License No. .... Authority's Code.....

Valid from.....to.....

Postal Address.....Postal Code.....

Email .....Mobile number.....

County.....Sub-county .....

Ward.....Village/Road.....

L.R.No./Plot.....

Is/are hereby authorized to operate a milling plant as a grower miller at.....to

(tick as appropriate)

pulp own coffee

mill own coffee

market own coffee

roast/grind and package own coffee.

Issued by:

Issued by:

The CEC or authorized County Officer's name.....  
Designation.....

Signature.....Date.....

Stamp:

Subject to Terms and Conditions:

1. A licence holder shall submit their milling returns to the Authority and the respective county government on a monthly basis.
2. The licence holder shall comply with the Coffee Industry Code of Practice and Standards.
3. The licence holder shall allow free access to the premises by the inspectors authorized by the respective licensing authority.
4. The county government may vary, suspend or revoke the license issued if the holder fails to abide with the terms and conditions of the licence.
5. The licence shall not be transferable.

## FIRST SCHEDULE

*(r.10(2)(a))*

## AGRICULTURE AND FOOD AUTHORITY

## FORM C4

## COMMERCIAL MILLING LICENCE

Name .....

License No. .... Authority's Code.....

Valid from.....to.....

Postal Address.....Postal Code.....

Email .....Mobile number.....

County.....Sub-county .....

Ward.....Village/Road.....

L.R.No./Plot.....

Is/are hereby authorized to operate a milling plant as a commercial miller at.....to mill coffee and prepare such coffee for sale.

Issued by:

CEC or Authorized Officer

Designation

.....

Signature..... Date .....

*For: County Government*

Subject to Terms and Conditions:

1. A milling licence holder shall submit their milling returns to the Authority and County government on a monthly basis.
2. The milling licence holder shall comply with the Coffee Industry Code of Practice and Standards.
3. The milling licence holder shall allow free access to the premises by the inspectors authorized by the Authority and county government .
4. The county government may vary, suspend or revoke the milling license issued if the holder fails to abide with the terms and conditions of the license.
5. The milling licence holder shall provide to the Authority and county government the milling tariffs for the purpose of publication a month before the commencement of the coffee year.
6. The milling licence shall not be transferable.





## FIRST SCHEDULE

(r8(1))

## AGRICULTURE AND FOOD AUTHORITY

## FORM D1

## APPLICATION FOR A COFFEE BUYER'S LICENCE

1. Name of applicant.....
2. Nature of application:  
New [ ]      Renewal [ ]
3. Postal                      Address                      .....Postal  
Code.....
4. Registered address ..... Building.....  
Street.....  
Town/City..... L.R. No. ....
5. Date of Incorporation.....
6. Registration No.....
7. Physical Address .....
8. Location of the principal office.....  
Address.....  
Mobile number .....
9. Full names, addresses and occupations of the directors:  

	<i>Name:</i>	<i>Address:</i>	<i>Occupation:</i>
1.	-----	-----	-----
2.	-----	-----	-----
3.	-----	-----	-----
10. Branch Office(s) if any  
Address.....  
Building ..... Street .....
11. I/We are seeking a licence to  
(i) buy clean coffee at the exchange for  
(a) export;  
(b) local sale,

(c) local value addition, or

(ii) import clean coffee for secondary processing in Kenya

12. *(tick as appropriate)*I/We certify that the information hereby given in this application is true and I/We commit to comply with the terms and conditions of the licence.

Date.....

Name of Director..... Signature .....

Name of Director..... Signature .....

Name of Director..... Signature .....

13. Licensing requirements shall be as per the Second Schedule of the Regulations.

14. Authorized Officer:

Name: .....

Mobile number: .....

Signature.....

Stamp.....

*(Where appropriate)*

Endorsed by:

The Head of Coffee Directorate

Signature.....Date.....

Stamp:

FIRST SCHEDULE

(r.10(2)(e))

## AGRICULTURE AND FOOD AUTHORITY

## COFFEE BUYER'S LICENCE

## FORM D2

Name of Buyer.....

Licence No. .... Buyer's Code.....

Valid from.....to.....

Postal Address: ..... Postal Code.....

Email ..... Mobile number.....

County..... Sub County.....

Ward..... Street/road .....

L.R.No./Plot No.....

Is hereby authorized to buy clean coffee only at the exchange for export or local sale or value addition or to import clean coffee for secondary processing in Kenya (*tick as appropriate*).

Issued by:

Signature..... Date .....

*Head Coffee Directorate**Agriculture and Food Authority*

Subject to Terms and Conditions:

1. A licensed buyer shall submit their trading returns to the Authority on a monthly basis.
2. The licensed buyer shall comply with the Coffee Industry Code of Practice and Standards.
3. The licensed buyer shall allow free access to the premises by the inspectors authorized by the Authority.
4. The Authority may vary, suspend or revoke the coffee buyer's licence issued if the holder fails to abide with the terms and conditions of the licence.
5. The coffee buyer's licence shall not include authority to engage in direct sale.
6. The coffee buyer's licence shall not be transferable.

FIRST SCHEDULE

(r.21(5))

## AGRICULTURE AND FOOD AUTHORITY

## COFFEE BUYER'S MONTHLY RETURNS

FORM D3

BUYER'S MONTHLY RETURNS

Name of Buyer .....

Physical Address.....

Postal Address.....

Licence No. .... Buyer's Code..... Email.....

Mobile number.....

Coffee Year ..... Month .....

	Type of coffee	No of bags/ Others (specify)	Pockets(Kgs)	Total Weight (Kg.)	ICO No/ Licence No
Opening (b/f) Stock	Clean				
	Roasted				
Auction Purchases	Clean				
Post-Auction Purchases (Specify Buyer)	Clean				
Imports	Clean				
	Roasted				
Exports	Clean				
	Roasted				
Local Sales	Clean				
	Roasted				
Closing Stock	Clean				
	Roasted				

Prepared by:

Name of authorized officer:..... Signature.....

Designation..... Date .....

Stamp

## FIRST SCHEDULE

(r8(1))

COUNTY GOVERNMENT OF .....

## FORM F1

## APPLICATION FOR A COFFEE ROASTER'S LICENCE

1. Name of Applicant.....
2. Postal Address .....Postal Code.....
3. Registered address ..... Building.....
  - a. Street.....
  - b. Town/City..... L.R. No. ....
  - c. Mobile No. ....
  - d. E-mail.....
4. Where the applicant is a company
  - a) Name of company .....
  - b) Date of Incorporation .....
  - c) Registration No.....
5. Full names, addresses and occupations of the directors:
 

	<i>Name:</i>	<i>Address:</i>	<i>Occupation:</i>
1.	-----	-----	-----
2.	-----	-----	-----
3.	-----	-----	-----
6. Branch Office(s) if any
  - a. Postal Address.....Postal code.....
  - b. Building ..... Street .....
  - c. Town/City..... L.R. No. ....
  - d. Mobile No..... e. E-mail .....
7. I/We certify that that the information hereby given in this application is true and I/We commit to comply with the terms and conditions of the licence.  
 Date.....  
 Name of Director..... Signature .....
- Name of Director..... Signature .....
- Name of Director..... Signature .....
8. Licensing requirements shall be as per the Second Schedule of these Regulations.
9. Name, Address and mobile number of the owner/authorized officer:
  - a. Name: .....
  - b. Physical Address .....
  - c. Mobile number: .....

FIRST SCHEDULE

(r.10 (1)(d))

COUNTY GOVERNMENT OF.....

FORM F2

## COFFEE ROASTER'S LICENCE

Name .....

Licence No. .... Roaster's Code.....

Valid from.....to.....

Postal Address.....Postal Code.....

E-mail .....Mobile number.....

County.....Sub County.....

Ward..... village/road/street  
.....

L.R.No. /Plot No.....

Is/are hereby authorized to buy clean coffee locally, roast/grind and package for sale.

Issued by:

The CEC responsible for agriculture

(or authorized County Officer's)

Name..... Designation.....

Signature..... Date.....

Stamp:

Subject to Terms and Conditions:

1. A licence holder shall submit their trading returns to the respective county government and the Authority on a monthly basis.
2. The licence holder shall comply with the Coffee Industry Code of Practice and Standards.
3. The licence holders shall allow free access to the premises by the inspectors authorized by the respective county governments and the Authority.
4. The county government may vary, suspend or revoke the coffee roaster's licence issued if the holder fails to abide with the terms and conditions of the licence.
5. The coffee roaster's licence shall not be transferable.

FIRST SCHEDULE

(r.21(5))

COUNTY GOVERNMENT OF .....

COFFEE ROASTER'S MONTHLY RETURNS

FORM F3

1. Name of Coffee roaster.....
2. Address: Postal.....Email.....
3. Coffee Year ..... Month .....
4. Source of coffee:

Source of coffee	Grade (AA, AB, E, PB, C, T, TT, MH, ML, UG, SB)	Quantity (kg)
Auction		
Others (specify trader)		
Total		

5. Balance brought forward: Clean.....Kg.....  
Roasted.....Kg.....
6. Total Roasted.....Kg.....  
Sales.....Kg.....
7. Balance carried forward: Clean.....Kgs.....  
Roasted.....Kgs.....

*Report prepared by:*

Authorized officer's name.....

Signature.....

Date.....

FIRST SCHEDULE

(r8(1))

COUNTY GOVERNMENT OF -----

FORM G1

APPLICATION FOR A WAREHOUSE

LICENCE

1. Name of applicant .....
2. Nature of application:  
New [ ]      Renewal [ ]
3. Postal Address.....Postal Code.....
4. Registered Office..... Building..... Street.....

- Town/ City..... L.R. No.....
- Mobile number.....
- E-mail.....
5. Date of Incorporation.....
6. Registration No.....
7. Full Names, Address and Occupations of the Directors:
- | <i>Name</i> | <i>Address</i> | <i>Occupation</i> |
|-------------|----------------|-------------------|
| a) .....    | .....          | .....             |
| b) .....    | .....          | .....             |
| c) .....    | .....          | .....             |
8. I certify that the information hereby given in this application is true and I commit to comply with the terms and conditions of the licence.
- Name of authorized officer.....
- Designation.....
- Signature.....
- Date.....
- Stamp.....
9. Licensing requirements shall be as per the Second Schedule of these Regulations.

## FIRST SCHEDULE

*(r.10(2)(b))*

COUNTY GOVERNMENT OF -----

FORM G2

## WAREHOUSE LICENCE

THIS LICENCE is granted to..... of P.O. Box..... and authorizes the said.....to conduct the business of a Coffee warehouse in the Republic of Kenya for a period of one (1) year from the .....day of .....to ..... day of ..... (both days inclusive).

THIS LICENCE is issued subject to compliance with the requirements for approval and the provisions of the Coffee (General) Regulations 2019 currently in force and the Rules made thereunder and to such conditions as are stipulated herein.

Warehouses, whether owned or rented, used for storage of clean coffee or hulled *buni* shall comply with international standards for clean coffee warehousing.

THIS LICENCE is not transferable.

ISSUED at Nairobi this .....day of .....20.....




(Bags are 60kgs net weight)

Prepared by:

Authorized Officer's name: .....

Designation.....

Signature.....

Stamp

AGRICULTURE AND FOOD AUTHORITY

FORM G1(A)

r10(2)(e)

APPLICATION FOR A WAREHOUSEMAN'S LICENCE

Name of applicant .....

1. Nature of application:

New [ ]                  Renewal [ ]

2. Postal Address.....Postal Code.....

3. Registered Office..... Building.....Street.....

Town/ City..... L.R. No.....

Mobile number.....

E-mail.....

4. Date                          of                          Incorporation                          (If applicable).....

5. Registration No.....

6. Full Names, Address and Occupations of the Directors:

<i>Name</i>	<i>Address</i>	<i>Occupation</i>
-------------	----------------	-------------------

a) .....	.....	.....
----------	-------	-------

b) .....	.....	.....
----------	-------	-------

c) .....	.....	.....
----------	-------	-------

7. I certify that the information hereby given in this application is true and I commit to comply with the terms and conditions of the licence.

Name of authorized officer.....

Designation.....

Signature.....

Date.....

Stamp.....

- 8. Licensing requirements shall be as per the Second Schedule of these Regulations.

AGRICULTURE AND FOOD AUTHORITY

FORM G1(B)

r 10(2)(e)

WAREHOUSEMAN’S LICENCE

THIS LICENCE is granted to..... of P.O. Box..... and authorizes the said.....to offer professional services to Coffee warehouse owners /operators in the Republic of Kenya for a period of one (1) year from the .....day of .....to ..... day of ..... (both days inclusive).

THIS LICENCE is issued subject to compliance with the requirements for approval and the provisions of the Coffee (General) Regulations 2019 currently in force and the Rules made thereunder and to such conditions as are stipulated herein.

The warehouseman shall maintain professionalism at all times.

THIS LICENCE is not transferable.

ISSUED at Nairobi this .....day of .....20.....

Signed.....

*The Chief Executive Office*

*Agriculture and Food Authority*

Subject to terms and conditions:

1. A warehouseman shall not engage in any business that is contrary to the provisions of the Coffee Regulations.
2. The warehouseman shall comply with the Coffee Industry Code of Practice and Standards.
3. The warehouseman shall allow free access to the premises by the inspectors authorized by the Authority or county government.
4. The Authority may vary, suspend or revoke the warehouseman’s licence issued if the holder fails to abide with the terms and conditions of the licence.
5. The warehouseman’s licence shall not be transferable.

FIRST SCHEDULE

(r.15(8))

COFFEE MOVEMENT PERMIT

Serial No. ....

## FORM

Validity period.....Original for  
movement

Date of issue.....Time  
issued.....

a.m./pm. Expires (Time).....On  
(Date).....

Booking slip

No.....Bearer.....

Mark

--	--	--

Is hereby authorized to move the undermentioned goods from.....  
..... to (specify)destination).....

Lorry/Wagon

Reg.No.(s).....

.....by rail/road a distance of.....kilometres.

Description of goods (Clean, Parchment/buni).....

Name(s) of driver(s).....

This permit is not valid

between 6.30 p.m and 6.30 a.m.

\*(Delete as necessary)

Collected by.....ID No.....Mobile No.....

Issued by.....

Signature.....

Designation.....

Official stamp

AUTHORITY /COUNTY GOVERNMENT

FIRST SCHEDULE

(r17(3))

COUNTY GOVERNMENT OF -----

Form H

COFFEE GROWERS NOTIFICATION TO COUNTY GOVERNMENT AND DIRECT SETTLEMENT SYSTEM PROVIDER

Planted or uprooted coffee

1. Name of the grower.....
2. Grower Code.....
3. Category of grower (Tick as appropriate)  
 Cooperative [    ] Association[    ] Estate[    ] Other[    ] specify
4. Location of Grower  
 County.....Sub-County.....Ward.....  
 Village/Road.....  
 Contact: Postal Address.....E-mail.....  
 Mobile Number: .....
5. Change of Acreage

NO	Name of Farmer	ID/NO	Membership Number	Acreage Planted	Number of trees	Acreage Uprooted	Number of trees	variety	Remarks
1.									
2.									
3.									
4.									

6. The following contracts of service provided to the grower are attached for purposes of the Direct Settlement System record:

- (i).....
- (ii).....
- (iii).....

7. The following are the outstanding liabilities payable by the grower to service providers through the Direct Settlement System and the supporting documents:

- (i).....
- (ii).....
- (iii).....

Prepared by:

Name of authorized person.....

Designation.....

Signature.....Stamp.....

FIRST SCHEDULE  
 AGRICULTURE AND FOOD AUTHORITY  
 APPLICATION FOR REGISTRATION OF DEALERS

FORM HI:

1. Name of Dealer (company)-----
2. Principal Office -----  
 Postal Address.....Postal Code..... Building.....  
 Street.....Town/ City.....L.R. No.....  
 Email.....Mobile  
 Number.....
3. Specify type of dealership/Service

Category	Tick as appropriate
Warehousemen	
Miller	
Roaster	
Import Permit	
Buyer	
Independent Cupping services	

4. Directors of dealership

NO	NAME	ID NO/PASSPORT NUMBER
1.		
2.		
3.		
4.		

5. Declare professional skills of persons engaged (attach profiles) (warehouseman, liquorer, agronomist, engineer, if other professional specify)
6. Brief Company profile
7. Application for Registration by  
 Name  
 Signature  
 Stamp
8. Head of Coffee Directorate

--

Name -----

Signature -----

Stamp-----

FIRST SCHEDULE  
AGRICULTURE AND FOOD AUTHORITY

FORM H2:

DEALER REGISTRATION CERTIFICATE

Name of Dealer.....

Type of Dealership.....

Location of Dealership: City/Town..... L/R No-----

Street.....

The dealer is here registered for conducting the business of-----at  
(location)----- on -----(Date)

The registration is made under an application by -----  
-----being the Director of the company.

Signed

-----

Interim Head Coffee Directorate                      Stamp

THIS IS NOT A LICENCE FOR CONDUCTING BUSINESS

Terms and conditions

1. The registration is not transferable
2. Annual returns shall be submitted to the Authority and the respective county government
3. Continuous updates of the directorship and other registration details shall be submitted
4. The Dealer shall comply with all national and international coffee standards and other regulatory requirements in the crops Act, the coffee regulations, the trading regulations and other statutory requirements such as NEMA.
5. Any other terms introduced by the Authority

FIRST SCHEDULE

(r19(2))

AGRICULTURE AND FOOD AUTHORITY

Form I

CERTIFICATION BODY NOTIFICATION

9. Name of Certification Body-----

10. Principal Office -----

Postal Address.....Postal Code..... Building.....

Street.....Town/ City.....L.R. No.....

Email-----Mobile Number.....

11. Name of Certification scheme (s).....

12. Components of certification Scheme (include the core components and other services)

a) .....

b) .....

c) .....

13. Cost of Certification scheme(s) services and other related costs, specify below: -

NO	Type of Service	Cost(Ksh/USD), if any
1		
2		
3		

14. Certification Body Technical and management staff skills

*(Please specify the technical staff and their technical competencies, attach CVs and copies of certificates)*

NO	Name	Qualifications attained
1.		
2.		
3.		

15. Certification scheme benefits (Specify)

Prepared by:

Authorized officer's name .....Designation.....

Signature.....Date.....

Stamp

## FIRST SCHEDULE

(r22(14))

## AGRICULTURE AND FOOD AUTHORITY

## Form J

CRITERIA FOR COMPETITIVE SOURCING OF A COFFEE MILLER BY  
COOPERATIVE SOCIETIES

(To be forwarded to minimum of three millers. The miller(s) to complete and return the form to the society within the agreed time)

1. Name of miller-----
2. Location of mill (estimated kilometers from grower)  
.....  
County .....  
Town/City.....  
Postal address..... postal code.....  
Mobile number..... Email.....
3. Valid Licence by Authority (*attach certified copy*) .....
4. NEMA certification (*attach certified copy*) .....
5. Coffee exchange clearance (*attach certified copy*) .....
6. Other certification held (*attach certified copy*) .....
7. Relevant association membership (*attach copy of evidence*)  
.....
8. Core Services offered:

NO	Services	Cost of service	Comments
1.	Coffee milling per ton	----USD/Ton	
2.	Coffee handling at mill per 60 kg bag ( <i>Where applicable</i> )	----KES/Bag	
3.	Sorting per ton ( <i>Where applicable</i> )	----USD/Ton	
4.	Transport ( <i>Where applicable</i> )	----KES/Bag	State if credit is available
5.	Export bags ( <i>specify type</i> )	----USD/Bag	
6.	Warehousing charges beyond the grace period agreed	----KES/Bag per day	

9. Estimated milling losses.....

TYPE	3 YEARS AVERAGE MILLING LOSS	REMARKS
Parchment 1		
Parchment 2		

Parchment Lights	3/		
Buni			

## 10. Average payments for husks in the last three years (KES)

Year	KES PER TONNE	REMARKS
1		
2		
3		

## 11. Average payments for sweepings in the last three years (KES)

Year	KES PER TONNE	REMARKS
1		
2		
3		

## 12. Other support services offered (state with cost)

NO	Services	Unit Cost of service (Ksh/Unit of measurement)	Comments
1.			
2.			
3.			
4.			

## FIRST SCHEDULE

*(r.8(1))*

## AGRICULTURE AND FOOD AUTHORITY

## FORM K

## APPLICATION FOR COFFEE LIQUORING LICENCE

1. Name of Applicant.....
2. Postal Address .....
3. Registered address ..... Building.....
  - a. Street.....
  - b. Town/City..... L.R. No. ....
  - c. Mobile No. ....
  - d. E-mail.....

4. State Year of certification by the Coffee Directorate .....

(Attach Liquoring licence issued by the Coffee Directorate or an agency authorized by the Authority)

5. State Current Occupation .....

6. I certify that that the information hereby given in this application is true and I commit to comply with the terms and conditions of the licence.

Date.....Signature .....

FIRST SCHEDULE

(r. 10(2)(c))

AGRICULTURE AND FOOD AUTHORITY

FORM L

COFFEE LIQUORING LICENCE

Name of Applicant .....

Licence No. .... Valid from.....to.....

Postal Address: .....Postal Code.....

Email .....Mobile number.....

County.....Sub County.....

Ward.....Street/road .....

Principal Office.....

L.R.No./Plot No.....

Mr/Dr/Prof/Mrs/Sir/Esq/other .....

Is hereby authorized to offer coffee liquoring services for quality control, coffee milling, roasting, or any other authorized trade in Kenya.

Issued by:

Signature..... Date .....

Head Coffee Directorate

Agriculture and Food Authority

Subject to Terms and Conditions:

1. Liquorer shall undergo a certification process by the Authority.
2. A licensed liquorer shall comply with the Coffee Industry Code of Practice and Standards.
3. A licensed liquorer shall allow free access to the premises by the inspectors authorized by the Authority and the county government.

4. The Authority may vary, suspend or revoke a liquorer's licence issued if the holder fails to abide with the terms and conditions of the licence.
5. A liquorer's licence shall not be transferable.

FIRST SCHEDULE (r)  
 AGRICULTURE AND FOOD AUTHORITY  
 SELF-DECLARATION FORM

Form M

1. Name -----
2. Postal Address-----
3. Mobile number-----
4. Location-----
5. Licence application for: -----
6. I/We declare that i/we have pending /no pending (delete as appropriate);
  - a) Outstanding payments to farmers or other coffee traders.
  - b) Litigations, disputes, arbitrations, cases of coffee thefts, denials of licences, revocations, penalties,
  - c) Status with registering bodies

Declared at

-----

This day of -----

Before a Magistrate/Commission for Oaths

FIRST SCHEDULE

(r-----)

AGRICULTURE AND FOOD AUTHORITY  
COFFEE IMPORT PERMIT APPLICATION

Form N

- 1. Name of Importer (Company)-----
- 2. Principal Office -----  
 Postal Address.....Postal Code.....  
 Building..... Street.....Town/  
 City.....L.R. No.....  
 Email.....Mobile  
 Number.....

3. Directors of Importer

NO	NAME	ID NO/PASSPORT NUMBER
5.		
6.		
7.		
8.		

- 4. Declare professional skills of persons engaged (attach profiles)
- 5. Brief Company profile
- 6. Application for Registration by  
 Name  
 Signature  
 Stamp
- 7. Comments by Head of Coffee Directorate

Name -----  
 Signature -----  
 Stamp-----

## FIRST SCHEDULE

(r----)

## AGRICULTURE AND FOOD AUTHORITY

FORM O:

## COFFEE IMPORT PERMIT REGISTRATION CERTIFICATE

Name of Importer .....

Location of Importer : City/Town..... L/R No-----

Street.....

The Importer is here registered for conducting the business of processed coffee imports--  
 -----at (location)----- on -----  
 (Date)

The registration is made under an application by -----  
 -----being the Director of the company.

Signed

-----

Interim Head Coffee Directorate

Stamp

Terms and conditions

1. The registration is not transferable
2. Annual returns shall be submitted to the Authority
3. Continuous updates of the directorship and other registration details shall be submitted to the Authority
4. The importer shall comply with all national and international coffee standards and other regulatory requirements in the crops Act, the coffee regulations, the trading regulations and other statutory requirements such as NEMA, where applicable.
5. Any other terms introduced by the Authority

## SECOND SCHEDULE

*(r.8(1), 12(1), 14(1), 20(4) and 32(7))*

## REQUIREMENTS AND FEES

## A—Licensing Requirements

## a) Nursery Certificate

1. Individual National Identity /Passport.
2. Suitable land site for establishment of a nursery.
3. Reliable source of clean water.
4. Accessibility of nursery site for inspection and materials transportation.
5. Applicant to hire or possess nursery management skills /know how.

6. Any other requirements that may be prescribed by the licensing authority from time to time.

In addition, where the applicant is a company/society

7. A certified copy of certificate of incorporation/registration (in the case of companies or societies).
8. A certified copy of memorandum and articles of association.
9. Names of directors/officials.
- b) Pulping station licence
  1. Applicants personal details and contacts.
  2. Individual National ID/Passport.
  3. Copy of title deed or certificate of leasehold of a duration of lease of not less than six years as proof of ownership *or* proprietorship and a current certificate of search or other supporting documents.
  4. Letter of No Objection issued by the mother society, if applicable.
  5. Reliable source of water.

[Attach Clearance letter or certificate by water department, where applicable]

6. Certificate by National Environmental Management Authority, where applicable.
7. A standard pulping station established upon issuance of Authority to Erect such station by the Authority.
8. Any other requirements that may be prescribed by the licensing authority from time to time.
- c) Grower Miller's Licence
  1. Applicant's personal details and contacts.
  2. A complete and licensed pulping station for primary coffee processing.
  3. A certified copy of certificate of registration, if applicable
  4. Names of officials, individual National ID/ Passport No.
  5. Compliance with statutory requirements, including but not limited to; Tax Compliance, NEMA certificate, Safety and Occupational Health Certificate, and Public Health certificate.
  6. A certified copy of a comprehensive insurance cover from a reputable firm proportionate to volume of coffee handled as per insurance valuation.
  7. Proof of engaging services of a coffee liquorer registered by the Authority or establishment of a certified cupping lab.
  8. Complete coffee milling facilities subject to an initial written approval and issuance of Authority to Erect the coffee mill OR lease of a complete coffee mill.
  9. Self-declaration of any indebtedness, conflicts and litigations within the coffee industry.

10. Any other requirements that may be prescribed by the Authority from time to time.
- d) A commercial coffee miller's licence
  1. Registered company.
  2. Certificate of incorporation.
  3. Name(s) of officials, ID numbers/ Passport numbers.
  4. Compliance with statutory requirements, including but not limited to—
    - a) NEMA certificate;
    - b) Occupational Health and Safety Certificate, (OHSA);
    - c) Public Health certificate;
    - d) Tax Compliance certificate by KRA;
  5. A certified copy of a comprehensive insurance cover from a reputable firm proportionate to volume of coffee handled as per insurance valuation.
  6. Proof of engaging services of a coffee liquorer licensed by the Authority.
  7. Establishment of coffee milling facilities including cupping laboratory subject to an initial written approval and issuance of Authority to Erect the coffee mill OR lease of a complete coffee mill.
  8. Self-declaration of any indebtedness, conflicts and litigations within the coffee industry.
  9. Any other requirements that may be prescribed by the Authority from time to time.
- e) Roaster's License
  1. Applicant's personal details and contacts (provide copies of National identity/Passport).
  2. If applicant is a company—
    - (a) A certified copy of certificate of incorporation;
    - (b) Names of company directors, individual National ID/Passport No.
  3. If applicant is a registered business or company-
    - (a) Certificate of Registration/incorporation;
    - (b) Particulars of the proprietors - individual National Identity/Passport No, Pin Numbers.
  4. Compliance with statutory requirements, including but not limited to,
    - a) NEMA certificate where applicable;
    - b) Occupational Health and Safety Certificate, (OHSA) where applicable;
    - c) Public Health certificate;
    - d) Tax Compliance certificate by KRA;

5. Establishment or outsourcing/leasing of coffee roasting and packaging facilities subject to prior approval by the county government..

6. Self-declaration of any indebtedness, conflicts and litigations within the coffee industry.

7. Any other requirements that may be prescribed by the county government from time to time.

(f) Coffee Buyers 's Licence

1. Names of company officials, individual National ID/Passport No.

2. A certified copy of certificate of incorporation.

3. Clearance letter from the exchange in the case of renewals.

4. Compliance with statutory requirements, including but not limited to—

(a) NEMA certificate where applicable;

(b) Occupational Health and Safety Certificate, (OHSA) where applicable;

(c) Public Health certificate, where applicable;

(d) Tax Compliance certificate by KRA.

5. A valid performance bond of Kshs 1,000,000/= in favour of the Authority or such amount as the Authority may determine in consultation with the exchange.

6. Proof of engaging the services of a coffee liquorer licensed by the Authority

7. leasing or establishing of cupping facilities.

8. Self-declaration of any indebtedness, conflicts and litigations within the coffee industry.

9. Any other requirements that may be prescribed by the Authority from time to time.

(g) Warehouseman's Licence

1. Must be registered in Kenya or a Kenyan resident.

2. Copy of a certificate of incorporation/Registration, where applicable.

3. Names of company officials, individual National ID/ Passport No, as the case may be.

4. Have a minimum technical experience of three years in warehouse management and in handling agricultural commodities.

5. Tax Compliance certificate by KRA.

6. Indemnity against professional misconduct leading to loss in coffee quality or any other damage;

7. . Any other requirements that may be prescribed by the Authority from time to time.

(h) Qualifications of a Collateral Manager

1. Must be registered in Kenya or a Kenyan resident.

2. Have a minimum technical experience of three years in collateral management and in handling agricultural commodities.
3. Have clear and demonstrable capacity and experience in risk management.
4. Meet any other qualification that may be prescribed by a relevant authority.

(j) Coffee liquorer's licensing requirements

1. Been awarded a coffee liquoring certificate by the Authority.
2. Obtain a public hygiene certificate from the nearest local authority to the area of operation.
3. Submit application to the Authority.
4. Meet any other qualification that may be prescribed by the Authority;

(J) Coffee import permit requirements

1. Names of company officials, individual National ID/Passport No.
2. A certified copy of certificate of incorporation.
3. Compliance with statutory requirements, including but not limited to—
  - (a) NEMA certificate where applicable;
  - (b) Occupational Health and Safety Certificate, (OHSA) where applicable;
  - (c) Public Health certificate;
  - (d) Tax Compliance certificate by KRA;
4. Proof of engaging the services of a coffee liquorer licensed by the Authority and/or leasing or establishing of cupping facilities, where applicable.
5. Self-declaration of any indebtedness, conflicts and litigations within the coffee industry.
6. Any other requirements that may be prescribed by the Authority from time to time.

(K) Coffee liquoring /cupping facility requirements

1. Names of company officials, individual National ID/Passport No.
2. A certified copy of certificate of incorporation/business name.
3. Establishment of standard facilities as specified by the Authority.
4. Proof of engaging the services of a coffee liquorer licensed by the Authority.
5. Compliance with statutory requirements, including but not limited to—
  - (a) NEMA certificate where applicable;
  - (b) Occupational Health and Safety Certificate, (OHSA) where applicable
  - (c) Public Health certificate;
  - (d) Tax Compliance certificate by KRA.
6. Self-declaration of any indebtedness, conflicts and litigations within the coffee industry.

7. Any other requirements that may be prescribed by the Authority from time to time

(L) Coffee import permit requirements

1. Names of company officials, individual National ID/Passport No.
2. A certified copy of certificate of incorporation.
3. Compliance with statutory requirements, including but not limited to—
  - a. NEMA certificate where applicable;
  - b. Occupational Health and Safety Certificate, (OHSA) where applicable;
  - c. Public Health certificate;
  - d. Tax Compliance certificate by KRA.
4. Proof of engaging the services of a coffee liquorer licensed by the Authority and leasing or establishing of cupping facilities, where applicable.
5. Any other requirements that may be prescribed by the Authority from time to time

#### SECOND SCHEDULE

#### B. CERTIFICATE AND LICENCE FEES

The following license fees shall apply for the respective certificates and licences—

<i>Category</i>	<i>Amount (KES.) USD</i>	<i>Payment</i>
Application Forms	Nil	Licensing Authority
Growers Registration	Nil	County Government
Nursery Certificate	KES 1,000	County Government
Pulping Station licence	KES 1,000	County Government
Grower's miller licence	KES 10,000	County Government
Commercial Coffee Millers licence		County Governments
Over 10,000MT CC	USD 2,000	
5000-9,999MT CC	USD 1,000	
3,000-4,999	USD750	
Less than 3000MT CC/NEW	USD500	
Roaster's Licence		County Government
Over 1000 Bags	KES10,000	
500- 999 bags	KES 7,500	
100 - 499 bags	KES 5,000	
Less than 100 Bags /New	KES 2,500	
Coffee Commercial Warehouse Licence		County Government
Over 200,000 bags	USD 1,000	
50,000- 99,000 bags	USD 750	
Less than 50,000bags /New	USD 500	
Buyer		
Over 10,000 bags annual purchases	USD 500	Authority

<i>Category</i>	<i>Amount (KES.) USD</i>	<i>Payment</i>
5,000 – 9,999 bags annual purchases	USD 350	
1,000 – 4,999 bags annual purchases		
Less than 1000 bags purchases/New licence	USD 250	
	USD 100	
Parchment/Buni coffee movement permit (per leaf)	Free	County Government
Clean coffee movement permit from County of origin (per leaf)	KES100	County Government
Clean coffee movement permit for coffee exports (per leaf)	USD 1	Authority
Late application fee	10% of the license fees	Licensing authority
Independent Cupping Center	KES 20,000	Authority
Liquorer's practicing licence fees	KES 2,000	Authority
Processed coffee import permit	Ksh10,000	Authority
Warehouse man's licence	Ksh 2,000	Authority

## THIRD SCHEDULE

*(r.16(1)(2))*

## OBLIGATIONS OF LICENCE HOLDERS AND SERVICE PROVIDERS

The following are the operating standards and obligations which shall be binding the licence holders, certificate holders and service providers: -

The cost charged by cooperative societies to growers for pulping, administrative factory expenses, transportation, milling, warehousing, brokerage, any exchange levy, and any other expenses shall be as per the societies' budget but shall not exceed 20% of the gross earnings, from the coffee sales.

The maximum chargeable cost by cooperative societies shall be retained or reviewed downwards as published periodically by the Commissioner for Cooperatives in consultation with county governments.

## A: Pulping Station

1. The licence holder shall perform sorting and density grading of cherry within a maximum of eight hours upon receipt from smallholder growers or from own estate.
2. The cooperative society licence holder shall weigh the grower's cherry using a calibrated weighing system, maintain an accurate record of the same and give an original receipt thereof to the smallholder grower immediately.
3. The licence holder shall carry out the process of removal of coffee pulp from the cherry, fermentation, washing and drying to the desired moisture content in accordance with the coffee standards.
4. The licence holder shall digitize its coffee weighing scales and post the information of quantity and quality to a central database made accessible to the grower, provided that licence holders without digitalized cherry weighing systems shall establish the same within a period of twelve months from the date of commencement of these Regulations.

5. In parchment handling, the licence holder shall do quality analysis of the dry parchment prior to storage and will mix only parchment that is of similar quality.
6. The licence holder shall digitize stock cards.
7. The licence holder shall insure the coffee against loss and damage while at the station and in transit and in the event of non-payment by the insurer owing to breach of the insurance contract or other cause by the licence holder, the licence holder shall be liable to pay for the loss or damage.
8. The licence holder shall reinforce the security of the station to guard against theft of coffee by its servants or other persons and where security of the parchment cannot reasonably be guaranteed, it shall transport the same to a safer location.
9. Before moving the parchment and *Buni* coffee, the licence holder shall apply for a movement permit for the coffee from the County government.
10. The licence holder shall ensure that the vehicle ferrying coffee is installed with a tracking device.
11. The licence holder shall have the permits for the movement of coffee duly endorsed by the miller to acknowledge receipt of the parchment clearly indicating quantity and quality and shall file proper returns for the same which shall periodically be availed to the relevant authorities for verification. Each vehicle shall bear an original movement permit with specific driver details and vehicle registration number.
12. The licence holder shall deliver a sample to an independent cupping laboratory for quality analysis before the actual delivery of the coffee to the commercial miller where one is contracted.
13. The licence holder shall supply the particulars of its coffee grower members to the Direct Settlement System provider through the exchange, after the commencement of these regulations for purposes of initiating settlement through the system
14. In any event, there shall be no mixing of the licence holder own monies with the monies that belong to the growers and the licence holder shall maintain two separate accounts
15. In the event that there is need for borrowing by licensed Growers' societies and associations, they shall only seek credit from regulated financial institutions upon approval by the growers.
16. The licence holder shall register with the respective county government.

B: Miller

There shall be an annual service contract between the parties provided longer term contracts shall be subject to the approval of the county government but no service contract shall exceed three years.

1. The cost of service by a commercial miller shall be agreed in terms of US Dollars per tonne of processed parchment or *buni* at the beginning of each year and the same shall be paid through the direct settlement system in accordance with the service agreement with the grower.

2. The licence holder and the Authority shall publish annual milling tariffs and any other charges that are registered with the Authority and county governments and the licence holder shall not charge the grower more than the published charges.
3. The licence holder shall be accountable to the grower for the coffee received and shall acknowledge receipt of the same from the grower by endorsing the movement permit and issuing a weigh bridge receipt, confirming whether the volume, the grading and the owner of the coffee is as indicated in the permit and by issuing an identifying out-turn number for the coffee so delivered.
4. The licence holder shall issue a delivery note to the grower and transmit data of the same to a central database operated and maintained by the licence holder and shared with the direct settlement system and the exchange.
5. The licence holder shall, if it has not done so, digitize its weighing scales and its grading equipment to ensure precision and protect against loss of coffee volume.
6. In the event of bulking, the licence holder shall indicate the minimum millable lot in the contract, inform the grower and receive the grower's consent to bulk his coffee with the coffee of others, file a log and share with the owners of the coffees being bulked, stating their names, volume, and quantities of the batches being bulked for purposes of enabling each person in the bulk to get an indication of the distribution of the value of the same upon sale.
7. The licence holder shall provide a statement on milling, to include milling losses and sweepings, stating the range of expected milling loss for every parchment type and *buni* as approved by the Authority, provide a target milling loss per delivery on analysis of the sample and grant the grower the right of advance adequate notification of the time and date of the milling of the grower's coffee to enable the grower to be present at the milling.
8. The licence holder shall share all milling statements with the Authority and county government.
9. The licence holder shall insure the coffee against loss and damage while at the station and in transit and in the event of non-payment by the insurer owing to breach of the insurance contract or other cause by the licence holder, the licence holder shall be liable to pay for the loss or damage.
10. A licence holder who wishes to lend or advance any credit to growers' associations on behalf of growers shall establish a regulated subsidiary company to provide such financial services.
11. The licence holder's liquorers shall take out and maintain professional indemnity insurance covers.
12. The licence holder shall file copies of the movement permit returns duly endorsed by the licensed warehouseman, upon delivery of the milled coffee to the warehouse.
13. The licence holder shall provide copies of coffee warrants, or warehouse receipts as the case may be, issued by the warehouseman, to the grower and ensure that the relevant authorities have verified that movement permits were endorsed by the licensed warehouseman.
14. The licence holder in consultation with the exchange and growers, shall prepare a catalogue for the coffee to be offered for sale at the exchange. The terms of

agreement between a grower and a miller for milling of coffee shall be reduced into writing provided that the agreement shall expressly incorporate the obligations set out in this Schedule and Termination of milling agreements between growers and millers shall be subject to prior written notice of not less than two months.

15. Every commercial miller shall mill coffee on a First- In - first –Out basis provided the miller shall take into consideration any instructions from the grower on the milling and marketing of such coffee or bulking instructions where they apply to realize malleable quantities.
16. The licence holder shall act in accordance with these Regulations and in the best interest of the grower.
17. The licence holder shall make timely submission of milling out turn statements.
18. Payment of all auction coffee sales proceeds shall be through the Direct Settlement system
19. The licence holder shall remit 200 grams samples of each grade of an out-turn to the Authority.
21. The licence holder shall register with the Authority.

#### C: Warehouseman

1. There shall be a service contract between the licence holder and the grower miller or appointed agent or broker acting on behalf of the grower, for the coffee deposited in the warehouse in the custody of the licence holder.
2. The cost of the service shall be agreed in terms Kenya Shillings per 60kg Bag of the coffee stored at the warehouse at the beginning of each year and the same shall be paid through the direct settlement system by the grower upon sale of the coffee in accordance with the service agreement.
3. The licence holder shall upon delivery of the coffee, be accountable to the grower or his authorized representative, for the coffee received and shall acknowledge receipt of the same from the grower or his authorized representative through an endorsement confirming whether the volume, the grading and the owner of the coffee are as indicated in the permit and by confirming the out-turn number for the coffee so delivered.
4. The licence holder shall issue coffee warrant or warehouse receipt, as the case may be, for the coffee so received in the name of the grower or his authorized representative.
5. The licence holder shall issue a goods received note (GRN) and transmit data of the same to a central database operated and maintained by the licence holder and shared with the direct settlement system and the exchange.
6. The licence holder shall publish tariffs that will be filed with the Authority and the county government.
7. The licence holder shall not allow the grower's coffee to be sold without the knowledge and consent of the grower and will not allow the grower's representatives to borrow funds against the growers' coffee.

8. The licence holder shall, if it has not done so, digitize its weighing scales and its other equipment, and it shall weigh and count all the bags of coffee delivered to ensure precision and protect against loss of coffee volume.
9. The licence holder shall insure the coffee against loss and damage while at the station and in transit and in the event of non-payment by the insurer owing to breach of the insurance contract or other cause by the licence holder, the licence holder shall be liable to pay for the loss or damage.
10. The licence holder shall register with the Authority.

#### D: Coffee Roaster

A coffee roaster shall operate under the following obligations: -

1. Register with the exchange for the purchase of clean coffee at the Exchange.
2. Declare the source of clean coffee to the Authority and the County Government.
3. Establish or outsource standard coffee roasting facilities subject to all requirements set by the licensing authorities.
4. Pay deposit fee as security for collection of coffee samples.
5. Pay to the exchange the applicable auction levy, if any.
6. Pay for coffee bought at the auction within the prompt period.
7. Remit the proceeds for coffee bought at the auction through the direct settlement system.
8. Be automatically liable for suspension from trading in case of default of payment of coffee sales proceeds within the prompt date.
9. Be liable to pay penalty and interest for the default in payment within the prompt date.
10. Pay any bank transaction charges they have incurred.
11. Package roasted coffee in standard packaging materials.
12. Comply with the Kenya coffee standards and other statutory requirements.
13. Comply with the respective County Public Hygiene standards.
14. Maintain records of clean coffee purchases, sources of clean coffee and roasted coffee sales.
15. Submit returns to the county government and the Authority.
16. Allow access for inspection of premises and facilities by the . Authority and respective county government for enforcement of national coffee standards.
17. The licence holder shall register with the Authority.

#### E: Coffee Buyer

A Coffee Buyer shall operate under the following obligations:—

1. Register with the exchange for the purchase of clean coffee at the Exchange.
2. Establish or outsource standard coffee roasting facilities subject to all licensing authorities, where applicable.

3. Package roasted coffee in standard packaging materials, where applicable.
4. Comply with the respective County Public Hygiene standards.
5. Maintain records of clean coffee purchases, sources of clean coffee and roasted coffee sales.
6. Remit to the Authority a sample of 200 grams of clean coffee representing the consignment destined for shipment overseas
7. Comply with the Kenya coffee standards and other statutory requirements.
8. Submit returns to the Authority.
9. Allow access for inspection of premises and facilities by the Authority for enforcement of national coffee standards.
10. Pay deposit fee at the exchange as security for collection of coffee samples.
11. Pay to the exchange the applicable auction levy.
12. Remit coffee sales proceeds to the direct settlement system electronically or by a bankers cheque within five working days from the date of the sale of the coffee.
13. Pay for coffee bought at the auction within the prompt period upon receipt of the invoice.
14. Be automatically liable for suspension from trading in case of default of payment of coffee proceeds through the direct settlement system within the prompt date.
15. Be liable to pay penalty and interest for the default in payment within the prompt date at the average bank interest rates pegged on Central Bank.
16. Pay any bank transaction charges it has incurred.
17. The licence holder shall register with the Authority.

F:Broker

A coffee broker appointed by the grower shall operate under the following obligations: -

1. Seek clearance from the exchange and licence from the Capital Markets Authority
2. Offer clean coffee for sale at the exchange on behalf of the grower upon appointment.
3. Maintain records of sales transactions between the buyers and the growers which shall include details of the grade, quantity and price of coffee sold, date of sale, the buyer, the grower and the sale number .
4. Disseminate information on the transactions at the auction floor to the growers in form of sales statements and remit sales outcomes to the exchange and the Direct Settlement System operator.
5. Report to the Exchange any misconduct or anti-trade activities that may obstruct trade at the auction floor.
6. Conduct his affairs in a professional and transparent manner.
7. Act in the best interest of the growers.

8. Comply with any legal requirements or guidelines issued by the Exchange, the Authority or the licensing authority.
9. Register with the Authority.

G:Agent

A coffee agent appointed by the grower shall operate under the following obligations: -

1. Appointment shall be for purposes of facilitating for the grower the overseas direct sale with regard to logistics
2. Offer the service of processing requirements related to coffee exports.
3. Offer clean coffee for direct sale on behalf of the grower.
4. Maintain records of sales transactions between the overseas buyers and the growers.
5. Disseminate information on the direct sale transactions to the growers and the growers' licensing authorities.
6. Report to the growers' licensing authorities and the Authority any misconduct or anti-trade activities that may obstruct coffee trade.
7. Conduct his affairs in a professional and transparent manner.
8. Act in the best interest of the growers.
9. Comply with any legal requirements or guidelines issued by the Authority
10. Register with the Authority.

FOURTH SCHEDULE

*r.22(16)*

COMMERCIAL MILLING AGREEMENT

AGREEMENT made this..... day of..... two thousand and

BETWEEN .....of..... a licensed miller (License No. ...)

(hereinafter called the "miller", which expression shall where the context so admits include his or its successors and assignees) of the First Part;

AND

..... of .....a registered grower of coffee [Registration No..... (hereinafter called the "grower", which expression shall where the context so admits include his or its successors and assignees) of the Second Part

WHEREAS:

- (a) the miller is duly licensed under the Crops Act, 2013 and the rules made there under; and
- (b) the grower has requested the miller to provide milling services and the miller has agreed to provide such services to the grower upon the terms and conditions appearing, hereinafter.

NOW IT IS HEREBY AGREED BETWEEN THE PARTIES AS FOLLOWS:

1. The grower shall deliver the parchment coffee and *buni* under the conditions herein stipulated in respect of moisture content, properly labeled bags, well sorted out to distinguish different grades and without foreign matter and the miller shall reserve the right to refuse to accept delivery or provide services if the grower fails to comply with the said conditions.

2. Transport services from the factories of the grower to the mills may be provided by the miller at such rate of charge per bag as may be agreed between the parties. The transport of milled coffee and *buni* to the warehouseman shall also be charged at such rate of charge per bag as may be agreed between the parties, all milled coffee and *buni* being securely transported as per the grower's delivery note and confirmation slips, the grower ensuring that all movements of coffee are covered by the respective licensing authorities' movement permits before transportation or as directed by the licensing authorities.

3. The grower shall ensure that all coffee in transit to mills is properly insured while the miller shall take out insurance against fire and burglary and any other risk for the coffee delivered for milling until the coffee is handed over for sale.

4. The grower agrees to pay, where applicable;:

- (a) milling charges at the rate of.....US\$/Ton;
- (b) transport charges at the rate of..... US\$/bag;
- (c) storage charges at the rate of..... US\$/60kg Bag;
- (d) drying charges at the rate of .....US\$/Ton.
- (e) colour sorting charges at the rate of..... US\$/Ton; and
- (f) hand sorting charges at the rate of..... US\$/60kg bag of cc
- (g) handling charges at the rate..... USD/60kg bag cc.

5. Drying of coffee received at the mills will be charged according to the moisture content after consent to dry the coffee has been sought and obtained from the grower before the drying process starts.

6. Milling shall be done on a first-in first-out basis and empty bags shall remain the property of the grower and shall be returned to him without charge.

7. The miller shall ensure that the coffee in his possession is properly stored and secured to protect it from any damage, pilferage or loss of quality.

8. The miller shall submit the milling and out-turn statements to the grower as set out in these Regulations.

9. The milling charges payable by a co-operative society or an estate shall be in accordance to the published charges contained in the milling agreement binding the parties..

IN WITNESS WHEREOF the parties hereto have executed this Agreement on the day and date first hereinbefore mentioned.

SIGNED for or on behalf of the miller:

.....

in the presence of:

.....

.....

SIGNED for or on behalf of the grower:

.....

.....

in the presence of:

.....

#### FIFTH SCHEDULE

##### A. Kenya Standards

##### STANDARD COFFEE GRADES

(r.22(12))

Grade	General Description	Screen number on which beans are retained. (Size as per KSOS-174 or 150415-1980)
E	Elephant – two beans joined together, a genetic defect and includes very large (bold) AA	Retained on 21 (size diameter 8.3 mm)
PB	Pea berries – one ovule develops in Coffee of the usual two	Through 17 retained on 12 (4.76 mm)
AA	Flat beans	Through 21 retained on 18 (7.2 mm)
AB	Flat beans	Through 18 retained on 16 (6.35 mm)
C	Small flat beans	Through 16 retained on 10 (3.96mm)
TT	Light density beans, from AA, AB and E grades by air extraction	Separated through density by blowing
T	Smallest, consists of broken and small C	Through screen No. (2.9 mm)

Where a coffee grade is specified a minimum 95% of beans shall fall in that grade category.

##### Other Miscellaneous Kenyan Grades

Grade	Description	Remarks
MH	Heavy buni from the natural washing process	Separated by density
ML	Light buni from the natural washing	

	process	
SB	Sorted beans	
HE	Hulled ears	
UG	Clean coffee not graded occasionally referred to as estate cured coffee or sweepings	
RH	Robusta heavy	
RL	Robusta light	

## FIFTH SCHEDULE

## B. Specialty Coffee Grading Standards

As issued by the Specialty Coffee Association of America (SCAA) or other such organization as per the protocol deposited with the authority.

## FIFTH SCHEDULE

## C. Certifications

As issued by the certifying organization as per the protocol deposited with the authority

## SIXTH SCHEDULE

## A. Direct Sales Guidelines

*r 24(4)*

A Grower or a grower miller who has secured an overseas Buyer for the coffee, shall:

1. Store coffee for direct sales at designated warehouses.
2. Enter into a direct sales contract in the format prescribed under these guidelines and shall lodge the contract with the Authority for registration and approval.
3. Submit to the Authority a sample of 250gm of the said coffee for quality analysis and for arbitration purposes.
4. Have the coffee inspected by the Authority, in order to ascertain the quality, quantity and the value and for approval of the contract.
5. Be issued with an inspection certificate for every coffee consignment declared to the Authority for direct sales to ascertain the coffee quality. The inspection certificate shall be one of the requirements for clearance of direct sales exports.
6. The Authority liquorer shall conduct quality analysis and assess the price offered, undertake price comparisons with the prices prevailing at the exchange for coffees of the same quality and grade and keep the growers accordingly informed.
7. The direct sales price offered shall not be in any case lower than the exchange prevailing prices
8. Ensure the overseas buyer remits full payment before shipment is undertaken.
9. Apply to the Authority for;
  - (a) export clearance;
  - (b) ICO certificate;

- (c) KEPHIS certification;
  - (d) Movement permits
  - (e) Quality certificate ; and
  - (f) Any other necessary clearance.
10. Appoint an agent for purposes of logistics and other processing requirements related to coffee exports where applicable.
11. Remit monthly returns to the Authority on Direct sales undertaken.

B. Direct Sales contract

PART I – PARTICULARS OF GROWER

Name of grower .....

Grower Code.....

Identity Card No..... *(Where applicable)*

Certificate of Incorporation No..... *(Where applicable)*

Registration No.....

PIN No.....

VAT NO.....

Postal Address.....

Telephone.....

Email.....

Grower (s)..... *(attach list if necessary)* e.g. association members.

County.....

Sub County.....

L.R. No. (s).....

Acreage.....

Name of designated warehouse.....

Physical location.....

Grower's Agent.....

PART II – PARTICULAR OF OVERSEAS BUYER

Name of Company .....

Company Director(s).....

Postal Addresses.....

Registered Office.....

Street.....

Town/City.....Zip

Code.....

Country.....  
 Port of Entry.....  
 E-Mail..... Tel.....  
 Website.....  
 Type of Coffee  
 business.....

**PART III- CONTRACT DETAILS**

Contract ref. no.....  
 Grades of coffee.....

Grade	Number of bags	Total Net weight Kgs	Price per bag	Total value(USD)

**PART IV – TERMS AND CONDITIONS**

Shipment.....  
 Payment.....  
 Insurance.....  
 Sample.....  
 Shipper.....  
 Destination.....  
 Arbitration/Terms.....  
 Special Condition (if any) .....

We certify that the information given above is true to the best of our knowledge and information

Grower name ..... Date.....Signature.....

Overseas Importer r/Agent of importer

.....Date.....Signature.....

SIXTH SCHEDULE

r24(5)

CERTIFICATE OF QUALITY INSPECTION

Name of Grower mill/Buyer/Roaster/Other.....

Registration Number .....

Physical Address: County .....Street .....

Email.....

Town/City.....

Mobile Number .....

Total weight (Kgs).....

Coffee Type (tick)	E	AA	AB	PB	C	T	TT	MH	ML	OTHER (Specify)
Volume in bags										
Quantity in Kgs										
Buni										

Coffee quality analysis Report .....

.....

Recommendation:

.....

Warehouseman/Contact person during inspection

Name: .....

Mobile Number: .....

Position: .....

Signature: .....

Date.....

It is hereby confirmed that the coffee export/Direct sales is approved/not approved (tick as appropriate).

Report by:

Name.....

Signature.....Date.....

Stamp

Designation .....

HEAD COFFEE DIRECTORATE

SEVENTH SCHEDULE

SALES CATALOGUE

(r.26(2))

1. The sales catalogue shall be prepared by the miller or an appointed broker in consultation with the Exchange and growers.

2. The details to be included in the sales catalogue shall include-

- (a) The name of the grower;
- (b) The name of the miller;
- (c) Name of broker, if any;
- (d) Sale number;
- (e) Day, date and time of the auction;
- (f) The place of the auction shall be at the exchange;
- (g) Total number of bags of coffee to be offered for sale;
- (h) Name of the warehouse where the coffee is stored;
- (i) The prompt date being the date on or before which proceeds are payable to the central depository unit of the exchange;
- (j) Terms and conditions of sale;
- (k) The date on which rent charges in respect of purchased coffee shall be due from the buyers to warehousemen at which the coffee is stored;
- (l) The net weights as per warehouse weights (and unless otherwise stated coffee shall be packed in bags of 60 kg net, tare weight 1.1 Kgs but bids shall be on the basis of 50 Kgs), the bags used shall conform to the international coffee packaging standards;
- (m) Lot numbers arranged serially per miller for all coffee offered for sale;
- (n) The out-turn Number shown against each lot number and the registered distinguishing mark of the grower miller (whether Bulk, E/Bulk, P/Bulk, T/Bulk; Spillage, or sweepings) and out-turn Number arising from operations of grower/miller;
- (o) Grade of the coffee;
- (p) Number of bags in the lot (a saleable lot shall not have be less than ten bags);
- (q) Net weight of coffee in kilograms respectively;
- (r) Adequate space for inserting big prices by traders.

3. The sales catalogue shall be prepared weekly or as frequently as the Authority may determine in consultation with a grower or his agent.

4. The saleable lots in the special auction dedicated to local roasters may comprise less than ten bags.

## EIGHTH SCHEDULE

## COFFEE WARRANT

(r 25(2))

## NAME OF WAREHOUSEMAN

Entered by ..... on the account of the lot of coffee DULY Deliverable to..... or assigns by endorsement hereon.

Coffee season and out-turn no.	Mark and code	Grade	Number of bags	Nett weight of pockets (kgs)	Total nett weight (kgs)

This Coffee is lying at ..... warehouse awaiting instruction and collection.

This warrant is valid only if signed by any two of category A or any one of category A and one of category B signing jointly

Category A

Chief Finance Officer

Head of supply Chain Secretary

Head of Middle Office

Category B

Finance Manager

Legal Manager-Regional Co

Sea Exports Manager

NAME OF WAREHOUSE.....

-SIGNATURES-

Rent Commences: .....

Rates:

Warehouse handling: .....

Storage:.....

Warrant fee: .....

## CONDITIONS

1. A warrant is issued in respect of each consignment.
2. All deficiencies or losses on or damage to goods must whenever possible be notified in writing to..... (“the Company”) prior to removal of the goods from the Company premises so as to afford an opportunity for checking by the Company, and in all cases where such notification is not possible, such deficiencies, losses or damage must be notified to the Company in writing within two days of the removal from the premises of the Company of the goods concerned if this condition be not complied with, the

Company will in no case accept liabilities whatsoever for such deficiencies, losses or damages however caused.

3. Every warrant is transferable by endorsement and entitles the person named herein, or the last endorsee therefore named in the endorsement, to the goods specified therein, and the goods so specified shall for all purposes be deemed to be his property.
4. Upon lodging a warrant duly endorsed, the person there under entitled to the goods may transfer or obtain possession of the goods subject to the payment of all charges.
5. The contents of one warrant may be divided into others for smaller quantities at the will of the person entitled to the goods subject to the payment of all appropriate charges.
6. If a warrant is lost, written notice must at once be given to the Company. In such a case, before delivery of goods can be made, the loss of the warrant must be advertised in the Official Gazette and a copy of such publication containing the advertisement together with a guarantee signed by the applicant and countersigned by a bank approved by the Company to identify the Company against losses, claims, or damages, must be lodge with the Company in no circumstances will duplicate warrants be issued.
7. The Company takes all reasonable measures to protect goods against loss or damage but does not accept liabilities for—
  - (a) Loss or damage, arising otherwise than through the Company's negligence;
  - (b) Loss, damage or deficiency cause by or contributed to any of the following causes; Whether such loss, damage or deficiency be also in part caused by or contributed to by a neglect, wrongful act or default of the Company, its servant or agents or other persons for whose acts the Company might apart from this clause be liable—
    - (a) Vermin;
    - (b) Frail, unsuitable, insufficient or defective packing;
    - (c) Strikes, combinations or lock-outs of any person in the employ of the Company or in the service of others;
    - (d) Improper, insufficient, indistinct or erroneous marking or addressing of goods or packages;
    - (e) Fire;
    - (f) Civil commotion;
    - (g) The President's enemies;
    - (h) Earthquake
    - (i) Loss of weight or damage in consequence of atmospheric conditions of humidity due to heat, damp or drought, or howsoever caused.
8. This warrant, if referring to coffee bulked in the—
  - (a) The Company accepts no financial liability under any circumstances for the even mix of the bulk, but undertakes to re-bulk free of charge provide that:

- (i) The person first entitled under the warrant shall lodge the claim within seven days of receiving the warrant; and
    - (ii) The person first entitled under warrant shall satisfy the Company that rebuilding is necessary or advisable, the Company being prepared to accept the advice of an Arbitrator.
  - (b) The Company guarantees that the component coffees of the bulk are exactly those instructed by mark and quantity.
  - (c) The Company does not accept liability in respect of any divergence of the bulk from the expected resultant quality by reason of a variation in quality of one or more components of the bulk. The burden of proof of the use of coffee other than the stipulated components shall rest upon the instructing dealer and in the event of such proof the Company agrees to submit to the normal quality arbitration under the Arbitration Rules of the Kenya Coffee Traders Association as shall be amended from time to time.
9. This warrant is subject to the condition that the Company shall have a general as well as a particular lien on the goods specified therein in respect of any monies owing to the Company by the person first or subsequently entitled under the warrant.
10. The acceptance of this warrant in the first place and subsequent presentation of this Warrant implies implicit acceptance of the conditions enumerated above.

Deliver to.....on payment of all charges

Signed.....Date.....20.....

Deliver to.....on payment of all charges

Signed.....Date.....20.....

Deliver to.....on payment of all charges

Signed.....Date.....20.....

MWANGI KIUNJURI,  
*Cabinet Secretary, Agriculture, Livestock, Fisheries and Irrigation.*