KENYA SUGAR BOARD

SUGARCANE FARMERS' ORGANIZATIONS OPERATIONAL MANUAL

Promoting Sugarcane Farmers' Organization for Socio-Economic Transformation

NOVEMBER, 2025

FOREWORD

The Kenya Sugar Board (KSB) is a state corporation established under the Sugar Act No. 11 of 2024 and officially inaugurated on 21st November, 2024. The Board is mandated to regulate, develop, and promote the sugar industry in Kenya.

Over the years, the sugar sector has faced numerous challenges that have hindered its growth and sustainability. These include delayed payment to sugarcane farmers, frequent breakdowns of government-owned sugar mills, unchecked cane poaching, and the absence of a structured framework to advocate for farmers' concerns.

One of the most critical gaps has been the lack of adequate grower representation. This has significantly weakened farmers' bargaining power, making them price takers in their dealings with millers. In response, the Government has made several interventions including supporting the formation of grower institutions, acting as guarantors for them, facilitating access to affordable credit, and offering capacity building. Despite these efforts, most of the established outgrower institutions failed to achieve their intended objectives. Many have since collapsed or been placed under receivership.

While the previous frameworks for grower institutions were theoretically sound, their implementation was weak. Regulatory and support systems were either inadequate or poorly enforced. As a result, the sugar industry continues to operate in a difficult environment, with longstanding issues compounding and stalling meaningful progress.

Recognizing these systemic challenges, the Kenya Sugar Board has prioritized efforts to safeguard the livelihoods of sugarcane farmers and enhance service delivery. As part of this strategy, the Board is proposing the development of a Kenya Sugar Industry Sugarcane Farmers Organization Policy and Operations Manual. This framework aims to introduce clear structures, processes, guidelines, and standards to improve corporate governance and accountability in sugarcane-growing counties.

The proposed model is aligned with Kenya's Vision 2030, specifically within the Fourth Medium-Term Plan (MTP IV), which emphasizes income growth and improved living standards through harmonized programs. As a vital sub-sector of agriculture, the sugar industry plays a key role in achieving national economic goals.

CHIEF EXECUTIVE OFFICER
<u>KENYA SUGAR BOARD</u>

LIST OF OPERATIONAL DEFINITIONS

"Sugarcane growers' apex body" mean a national organization registered under its respective Primary and Statutory Act whose membership shall comprise of mill level registered and contracted farmers' institutions and groups championing the rights under a cane supply agreement.

"Grower" means a person who produces sugarcane in Kenya for the manufacture of sugar.

"By-laws" means the rules and regulations made by a Sugarcane Farmers' Organization registered under their respective Primary and Statutory Act.

"Commissioner" means the Commissioner for Co-operative Development appointed under section 3 and includes any person on whom any of the powers of the Commissioner have been conferred in accordance with the co-operatives societies Act.

"Committee" means the governing body of a sugarcane farmer organization to whom the management of its affairs is entrusted, and includes a Board of Directors.

"Sugarcane Farmers' Organization" means an organization registered under respective Primary and Statutory Act and recognized by the Kenya Sugar Board.

"Deposit" means a sum of money paid on terms under which it shall be repaid.

"Dividend", means that member's share of the surplus of the organization which is divided amongst its members, in reference to the member's share capital proportion.

"Limited Liability" means limited by shares or limited by guarantee, as prescribed by the by-laws of the sugarcane farmer organization.

"Member" means a person or an individual admitted into to membership of sugarcane farmers organizations in accordance with the stipulated by-laws.

"Officer" means a person or individual bearing responsibilities of day to day running of the sugarcane farmers organization either as an employee or any other person empowered under the By-laws of a sugarcane farmer organization.

"Nominee" means any person who, under law or custom, is responsible for administering the estate of a deceased person.

“Share” means part or portion of contributed amount represented as capital to the sugarcane farmers’ organization.

“Special General Meeting” means a general meeting, other than an ordinary general meeting with a specific Agenda item.

“Special Resolution” means a resolution or voting passed by majority of the members present as stipulated in the By-Laws.

“Tribunal” means the Sugar Arbitration Tribunal established under Section 46 of the Sugar Act, 2024.

“**Board**” means the Kenya Sugar Board established under section 3 of the Sugar Act, 2024.

ACRONYMS AND ABBREVIATIONS

ADR	Alternative Dispute Resolution
AGM	Annual General Meeting
CBO	Community Based Organization
CoG	Council of Governors
CoK, 2010	Constitution of Kenya, 2010
ICT	Information and Communication Technology
IPM	Integrated Pest Management
KESRETI	Kenya Sugar Research and Training Institute
KRA	Kenya Revenue Authority
KSB	Kenya Sugar Board
Ltd	Limited
M&E	Monitoring and Evaluation
MER	Monitoring, Evaluation and Reporting
MDAs	Ministries, Departments and Agencies
MSMEs	Micro, Small and Medium Enterprises
NGO	Non-Governmental Organization
PPP	Public Private Partnerships
SACCO	Savings and Credit Co-operative Organization
SAT	Sugar Arbitration Committee
SDL	Sugar Development Levy
SFO	Sugarcane Farmers' Organization

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CHAPTER ONE: INTRODUCTION

1.1 Background

The Kenya Sugar Industry forms an important component of the nation's agricultural and economic landscape, providing livelihoods to a significant population of sugarcane farmers and contributing substantially to the country's agro-industrial sector. The primary actors involved in Kenya's sugar value chain include sugarcane farmers and farm workers, input suppliers and extension agents, transport and logistics providers, sugar mills and processors, sugarcane farmers societies and producer organizations, exporters and importers, as well as other value chain institutions, Government Agencies, and Non-Governmental Organizations.

A vibrant, competitive sugar industry fundamentally depends on strong sugarcane producers organized into effective groups. These organizations, which include cooperative societies, community based organizations, associations, companies and other common interest groups, enable economies of scale in provision of farm inputs, adoption of technologies and marketing of cane; ensure fair pricing, transparency and accountability in the sugarcane value chain; strengthen advocacy and the collective bargaining power for farmers; facilitate equitable distribution of the benefits of value addition; and foster inclusive development across the value chain. The on boarding of the sugarcane farmers' organizations in the sugar industry will provide and serve as pivotal structures through which farmers can collectively mobilize resources, represent themselves in negotiations with millers and other industry stakeholders, and uphold their rights and obligations.

Broadly, the regulatory framework governing sugarcane farmers' organizations is primarily anchored in relevant regulatory frameworks, including the Co-operatives Societies Act 2020, Societies Act 2022, the Companies Act Cap 480, and the Community Groups Registration Act 2022. This regulatory environment provides for the management and administration of sugarcane farmer organizations aligned to the requirements of the respective governing statutes, and internal organizational policy documents which include by-laws, constitutions, and Memoranda and Articles of Association etc.

This manual provides a foundation and guidelines for sustainable growth and improved sugar industry performance through the sugarcane farmers' organizational.

1.2 The Guiding Principles of Sugarcane Farmers' Organizations

The Sugarcane Farmers' Organization are guided by the following principles:

1) **Collective Bargaining Power** in negotiating better terms with millers, suppliers, and financiers, and amplifying farmers' voices in all forums.
2) **Voluntary and Open Membership** where eligible sugarcane farmers choose to join or exit freely, without discrimination or coercion.
3) **Democratic Governance** where each member has one vote ensuring participatory leadership and accountable decision-making.
4) **Independence and Autonomy** in engagements with government, millers, and partners, retaining full independence in decision-making for the benefit of members.
5) **Solidarity and Mutual Support** to foster unity, shared responsibility, and mutual assistance among members, especially in times of adversity
6) **Member Economic Participation**, with equitable contribution to the resources of the organization and share in its benefits based on active participation.
7) **Market Orientation and Value Addition** to strengthen members' market position, diversify income streams, and promote value addition along the sugarcane value chain
8) **Fairness and Transparency** in cane marketing, weighing, and payments, underpinned by transparent records and open reporting.
9) **Education and Capacity Building** with continuous learning and farmer empowerment through training in agronomy, business, and leadership.
10) **Inclusivity and Equity** ensuring equal opportunities and representation for women, youth, and marginalized farmers in all aspects of the organization.
11) **Environmental Stewardship** in promoting sustainable sugarcane farming that safeguards soil, water, and biodiversity for present and future generations.

1.3 Justification for the Manual

The development of this Operations Manual is necessitated by the need to harmonize practices across various sugarcane farmer organizations and to strengthen their capacity for self-regulation and mutual support within the Sugar Industry. Given the complex nature of sugarcane farming, and the multiplicity of stakeholders involved, including farmers, millers, government agencies, and regulators, there is a critical requirement to have a clear and consistent guidelines that addresses these concerns:

1) The advocacy, representation and protection of farmers' rights and interests in the Sugar industry.
2) Compliance with the legal structures that enhance proper governance standards that safeguard members interests.
3) Operationalization of membership registration, dividend distribution, and committee functions to advocate for members rights in the sugar industry.
4) Addressing concerns and conflicting interests through enhancement of collaboration between farmers' organizations and other industry players.
5) Promotion of transparency in the management of members and sugar industry affairs.
6) Enhance collective bargaining power of sugarcane farmers with other industry stakeholder.

1.4 Scope of the Manual

This policy and operations manual is developed for use by sugarcane farmer organizations operating within the Kenya sugarcane growing counties. It primarily targets associations and institutions involved directly or indirectly in sugarcane production, representation, and value chain engagement.

The manual applies specifically to:

1) The Sugarcane Growers Apex Body
2) Primary and secondary sugarcane farmer organizations
3) Out-grower Companies
4) Community-Based Organizations (CBOs)
5) Common Interest Groups
6) Unions and Federations
7) Savings and Credit Cooperative Societies (SACCOs)
8) Farmer advocacy groups
9) Regulatory agencies
10) Government Agencies
11) Millers
12) Other key actors in the sugarcane value chain

1.5 Objectives

The main objective of this manual is to provide a framework that guides the governance, management, and operational procedures of sugarcane farmer organizations in the Sugar Industry. The manual seeks to:

1) Establish an institutional structure for sugarcane farmers and their organizations to ensure coordinated and cohesive governance;
2) Develop a framework for engagement between farmers' organizations and other actors within the sugarcane value chain;
3) Promote transparency, accountability, and good governance by strengthening the capacity and internal systems of farmers' organizations;
4) Empower farmers' organizations to access and manage funding effectively for organizational and farm-level development;
5) Strengthen governance and institutional capacity to improve leadership, management, and decision-making within farmer organizations;
6) Ensure equitable access to and accountability in the use of the 5% Farmer Support Fund, promoting fair resource allocation;
7) Promote transparent, competitive, and viable sugarcane farming enterprises through enhanced organizational and market practices;
8) Harmonize stakeholder interests in the sugarcane sector by establishing a clear and functional three-tier organizational structure; and
9) Reinforce legal compliance and structured representation to ensure that farmer organizations operate within regulatory frameworks and effectively represent member interests.

1.6 Review of the Manual

Review and amending this Operations Manual for sugarcane farmers' organizations will be considered from time to time and will be necessary to ensure that it remains relevant, responsive, and aligned with the evolving needs of the industry and its stakeholders.

The review of the Manual will be conducted every three years depending on the prevailing circumstances. Regular update of the manual will be further necessitated by the evolving legal and regulatory requirement and emerging innovations that enhance productivity and sustainability.

1.7 Theme of the Manual

The theme of the manual is, "*Promoting sugarcane farmer organizations for Socio -Economic Transformation*". This presents an opportunity for organization to contribute towards the attainment of the objectives of Kenya Vision 2030. The creation of this theme is informed by the realisation that farmer organizations have contributed to the social and economic development of the country.

CHAPTER TWO: INSTITUTIONAL FRAMEWORK

2.1 Introduction

This chapter presents an overview of the current landscape of sugarcane grower institutions and highlights the existing gaps that this manual seeks to address. It outlines, the current out-grower institutions situation, the functions of sugarcane farmer organizations, identifies key institutions supporting the sugar sector, and introduces Three-Tier Institutional Model for sugarcane farmer representation as a strategic intervention aimed at strengthening farmer organization structures, improving service delivery, and enhancing sector coordination and representation, and Framework for Engagement between Farmers' Organizations and other Sugarcane Value Chain Actors.

2.2 Situational Analysis

The sugar industry is characterized by a wide range of farmer organizations, including producer cooperatives, out-grower companies, federations, and lobby groups. Despite their shared objective of serving sugarcane farmers, these entities currently operate in a fragmented and uncoordinated manner. This lack of cohesion often leads to inefficiencies in service delivery and weak representation for farmers. These organizations support various aspects of sugarcane farming, including cane production, transportation, market access, resource mobilization, training and capacity building, and farmer advocacy. However, their effectiveness is hampered by persistent challenges such as limited access to affordable credit, weak corporate governance, high debt levels, inadequate farm equipment, and poor farmer representation. To address these gaps, a well-defined institutional framework is necessary, one that promotes coordination, strengthens capacity, and aligns farmer interests with broader sector development goals.

2.3 The Three-Tier Institutional Model

In alignment with the Sugar Act, 2024, the manual proposes the establishment of a structured, Three-tier framework for farmer representation and coordination, from the grassroots to the national level. This model empowers farmers at the grassroots level, ensures efficient resource utilization, and promotes fair practices across the sugarcane value chain. The tiers are as follows:

1) **Primary Level – Grassroots Sugarcane Farmer Organizations:** At the base of the structure are individual growers organized into smallholder groups, self-help associations, and cooperatives. These

entities are instrumental in facilitating access to critical resources such as agricultural inputs, extension services, training, and market information. They serve as the first point of coordination and empowerment for farmers.

2) **Secondary Level – Catchment-Based Farmer Institutions:** This level comprises umbrella organizations formed by aggregating grassroots groups and cooperatives within a sugar mill's catchment area. These institutions represent farmer interests at the miller level and are key actors in contract negotiations with sugar factories, coordinating timely input supply, ensuring service delivery, and advocating for the rights and welfare of their member farmers.

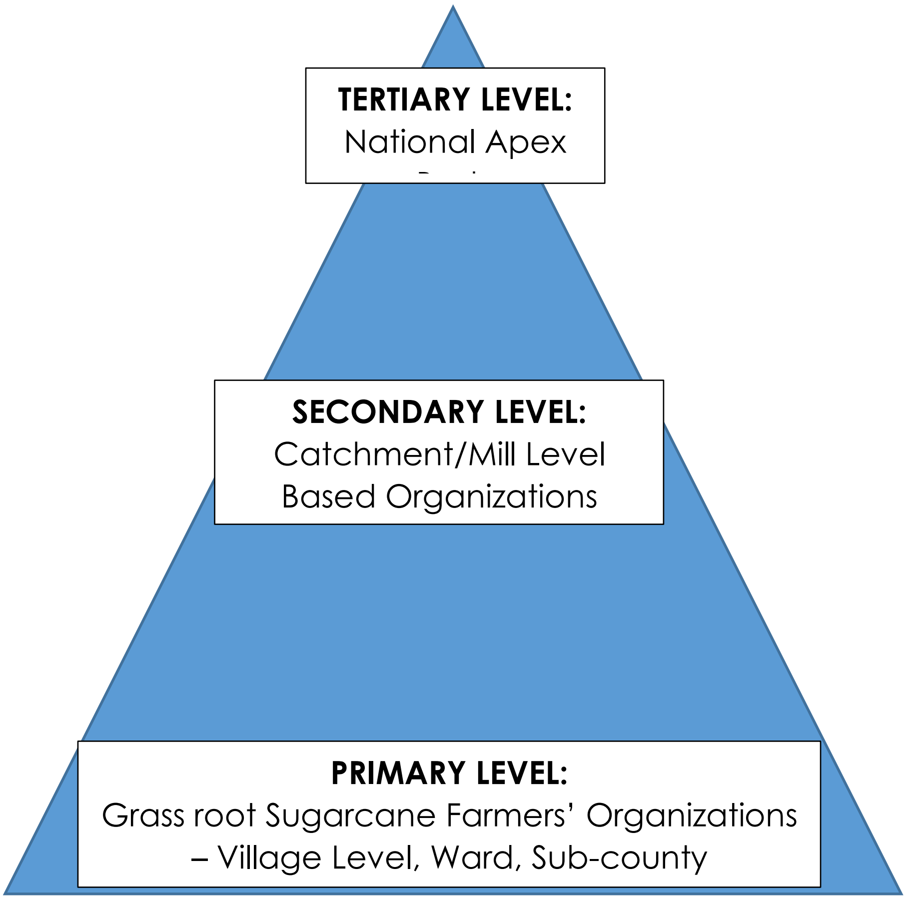


Figure 1: Pyramid representation of the Three-Tier Model for Farmers' Organizations

3) **Tertiary Level – National Federation of Sugarcane Farmers:** At the apex of the model is a proposed national body, envisioned as the umbrella organization for all sugarcane farmers across the country. Known as the National Federation of Sugarcane Farmers, this body will draw its membership from the secondary-tier institutions. It will act as the unified national voice for growers, engaging with the national government, policymakers, and stakeholders on legislative, regulatory, and industry-wide matters. The Federation will lead advocacy efforts, contribute to national sugar policy formulation, and promote accountability and transparency within the sector.

2.4 Roles of Players in the Organization and Operations of Sugarcane Farmers' Organizations

2.4.1 Sugarcane Farmer Organizations

Sugarcane farmer organizations are established to promote and safeguard the interests of growers. As provided for by the Sugar Act 2024, their core functions include:

1) Promoting and representing the interests of growers;
2) Negotiating or arranging, on behalf of such grower members, the terms of supply of sugarcane for milling and the coordination of the production and transport thereof;
3) Providing financial credit or otherwise arranging finance for such grower members in connection with the production of their sugarcane, including land clearance and preparation, planting cultivation and tending, harvesting, transport and the supply of goods and services relating thereto;
4) Providing or procuring technical, advisory, and operational support for members as may be required, to carry out or procure the carrying out of such operations for such members.
5) Providing or procuring accounting services and books of records for members in respect of their individual operations;
6) Purchasing, selling or otherwise dealing in, securing or providing such goods, material supplies and services as may be required by members;
7) Providing representation to the sugarcane pricing committee; and
8) Effectively participating in lobbying for favorable government policies in the industry through the registered lobbying groups.

2.4.2 The Ministry of Co-operatives and MSME Development

In the country, the Ministry of Co-operatives and MSME Development, through the State Department for Co-operatives, plays a central role in the development, regulation, and support of sugarcane farmer organizations, particularly those operating as co-operative societies. This mandate is implemented by the Office of the Commissioner for Co-operative Development and the SACCO Societies Regulatory Authority (SASRA), as established under Executive Order No. 1 of 2016. The Ministry provides leadership, oversight, and coordination of associations, aligning their operations with national development goals and devolved governance structures.

The responsibilities of the Ministry of Co-operatives and MSMEs are to:

1) Register sugarcane co-operative societies, maintain an up-to-date register, and ensure compliance with co-operative laws and governance standards;
2) Register co-operative audit reports, maintain a register of approved audit firms, and carry out inquiries, inspections, and investigations into the affairs of sugarcane co-operatives, including enforcement of surcharges;
3) Promote transparency, accountability, and ethical leadership within sugarcane co-operatives, and provide oversight over apex organizations, federations, and cross-county co-operatives in consultation with county governments;
4) Develop and regulate co-operative education and training standards, build capacity at the county level, and support knowledge transfer and adoption of best practices in co-operative management;
5) Establish and maintain a digital e-Portal for co-operatives and operate a research and information Centre to collect, analyze, and disseminate data and trends relevant to sugarcane farmer organizations;
6) Promote public-private partnerships (PPPs) and facilitate regional and international co-operative collaborations to enhance market access, financing, and value addition; and
7) Develop and coordinate intergovernmental mechanisms to ensure coherent and harmonized implementation of co-operative development initiatives at both national and county levels.

2.4.3 Kenya Sugar Research and Training Institute (KESRETI)

Mandated under the Sugar Act, 2024, KESRETI shall serve as the dedicated research and training arm of the sugar industry in Kenya. The role of KESRETI will be to:

1) Undertake scientific research aimed at improving sugarcane varieties, agronomic practices, pest and disease management, and overall crop productivity;
2) Innovate and share appropriate technologies and best practices to enhance efficiency and sustainability in sugarcane production; and
3) Provide structured training programs for sugarcane farmers, co-operative leaders, extension officers, and other stakeholders to build capacity and improve industry performance.

2.4.5 The Sugarcane Pricing Committee

Established under the Sugar Act, 2024, the Sugarcane Pricing Committee shall be responsible for ensuring fair and transparent pricing within the sugarcane value chain. The Committee shall:

1) Regularly review sugarcane prices in consultation with KESRETI, using scientific and market-based data;

2) Establish mechanisms to compensate farmers for additional products derived from cane processing (e.g., molasses, bagasse, ethanol);
3) Oversee the consistent application of the agreed cane pricing formula by all industry players;
4) Support the industry's shift from weight-based to quality-based payment systems, promoting better farm practices and higher returns for farmers; and
5) Ensure that contracts between farmers and millers are legally binding and enforced to protect both parties and promote accountability.

2.4.6 The Sugar Arbitration Tribunal (SAT)

The Sugar Arbitration Tribunal is established under Section 46 of the Sugar Act, 2024 to provide a dedicated mechanism for the arbitration and resolution of disputes within the sugar industry. In accordance with the Constitution of Kenya (CoK), 2010, the SAT is integrated into the structure of the Judiciary, ensuring independence, fairness, and access to justice. The Tribunal shall:

1) Hear and determine disputes arising between stakeholders in the sugar industry, including farmers, millers, co-operative societies, and other actors; and
2) Offer a sector-specific forum for timely, expert, and less formal resolution of disputes, reducing the burden on ordinary courts;

2.4.6.1 Promotion of Alternative Dispute Resolution (ADR):

In line with Article 159 of the CoK, 2010, the government shall also promote Alternative Dispute Resolution (ADR) as the first line of action in resolving conflicts, particularly within sugarcane co-operatives. The Benefits of ADR:

1) Cost-effective and accessible to all parties.
2) Less confrontational, promoting amicable solutions.
3) Flexible procedures, allowing for tailored solutions and reconciliation.
4) Preserves relationships, especially important in co-operative and long-term industry engagements.

2.4.7 The Kenya Sugar Board

The Kenya Sugar Board is a state agency established by the Sugar Act, 2024, with the broad mandate to regulate, develop and promote the sugar value chain. Below are the specific roles of the Board relating to sugarcane farmer' organizations:

1) Provide advisory services to growers and out-grower institutions.

2) In collaboration with county governments, implement equitable pricing mechanisms for sugar-cane and share of by-product proceeds between millers and growers.
3) Oversee and supervise formulation of standard agreements governing rights and obligations between growers, out-growers, farmer organizations and millers or other actors.
4) Ensure public participation and consultation with growers in decision-making affecting the industry and stakeholders.
5) Maintain industry statistics and database, which farmer organizations may access or contribute to.
6) Gather and disseminate market information, regional and global, benefitting growers and farmer organizations.
7) Promote value-addition and diversification strategies, which farmer organizations can adopt.
8) Formulate strategic plans, every 5 years, in consultation with county governments and stakeholders including farmer organizations.
9) Administer the Sugar Development Fund and levy, with a specific allocation of 5% of levy proceeds for the functions of sugarcane farmers' organizations.
10) Administer the levy and ensure financial flows to sectors including farmer organizations.
11) Registration of growers and out-growers, which farmer organizations should help their members navigate.
12) Work with county governments on transportation and other logistics guidelines of sugar-crop, which affect farmer organizations' operations.

2.4.7.1 The Sugar Development Fund

The Sugar Development Fund (SDF), established under Section 41 of the Sugar Act 2024, is a revolving facility that supports the growth and development of Kenya's sugar industry.

Funding Sources:

The Fund consists of the Sugar Development Levy; any funds provided by bilateral or multilateral donors for the purposes of the Fund; any moneys provided by the National Assembly for the purposes of the Fund; any moneys provided by a county assembly for the purposes of the Fund; and moneys from any other source approved by the Board.

Allocation of Funds:

The SDF shall be allocated as follows:

1) Infrastructure Development – 15%

2) Research and Training – 15%
3) Cane Development – 40%
4) Factory Rehabilitation – 15%
5) KSB Administration – 10%
6) Farmer Organizations – 5%

2.4.8 County Governments

The County governments will:

1) Implement national co-operative policies and formulate county-specific legislation and regulations for sugarcane farmer organizations;
2) Support the establishment and provisional registration of sugarcane farmer organizations at the county level;
3) Issue licenses to sugarcane farmer organizations operating within their jurisdiction;
4) Provide audit services, enforce standards, and conduct inspections to ensure accountability and compliance;
5) Support sugarcane co-operatives in engaging in value addition, adopting modern technologies, and accessing market information.
6) Collect, collate, and maintain data and information centres related to sugarcane farmer organizations;
7) Ensure that sugarcane farmer organizations adhere to co-operative laws and regulations;
8) Encourage partnerships and coordination between sugarcane co-operatives and key stakeholders;
9) Ensure transparency, accountability, and effective leadership within sugarcane farmer organizations;
10) Assist in the revival, growth, and restructuring of underperforming or dormant sugarcane farmer organizations.
11) Offer expert advice and support to sugarcane farmer organizations to improve their operations and management.
12) Ensure that co-operatives adhere to approved governance and management standards.
13) Promote research, innovation, and data-driven development of sugarcane co-operatives.
14) Encourage innovation, enterprise development, and co-operative education within county learning institutions.

2.4.9 Sugar Milling Companies

Sugar milling companies are central actors in Kenya's sugar value chain. They play a critical role not only in cane processing but also in the support and empowerment of sugarcane farmers through contractual and service-based relationships.

The sugar milling companies will:

1) Receive harvested cane from farmers, process it into sugar and related by-products, and ensure timely market supply;
2) Provide farmers with agricultural inputs (e.g. seed cane, fertilizers, agro - chemicals)
3) Offer technical advisory services to improve productivity; and
4) Engage in structured contract farming arrangements with sugarcane farmer organizations and deliver extension services such as training, crop planning, and monitoring.

2.4.10 Non-State Actors

The policy recognizes the important role of non-state actors including civil society organizations, NGOs, private sector players, and development partners in supporting the development of sugarcane farmer organizations.

Non-state actors will:

1) Work alongside national and county governments to mobilize sugarcane co-operative members and resources for organizational development;
2) Assist in communicating and explaining sugar sector policies, laws, and reforms to stakeholders at the grassroots level;
3) Engage in training and education of both sugarcane farmers (co-operators) and regulatory authorities to strengthen institutional capacity;
4) Support the government in conducting public participation forums, ensuring farmers are educated and actively involved in governance and decision-making processes; and
5) Development partners shall play a complementary role in achieving the objectives of the sugar sector policy and this implementation manual through financial, technical, and advisory support.

2.5 Framework for Engagement between Farmers' Organizations and other Sugarcane Value Chain Actors

An effective framework for engagement between sugarcane farmers' organizations and other sugarcane value chain actors provides structured collaboration, transparency, and shared responsibility to enhance productivity, efficiency, and fair value distribution. It ensures that farmers are not just producers but active participants in shaping the future of the industry. Strong institutions, trust-based relationships, and supportive policy environments are critical enablers of this engagement model.

Below is a structured framework aligned with the goals of inclusive and sustainable sector development:

1) Institutional Linkages and Representation

a) Farmers' organizations at the primary, secondary, and national levels engage formally with: Millers, Input Suppliers, Transporters, Extension Service Providers, Regulatory Bodies, Financial Institutions, and Research Institutions

b) The farmers' organizations must have Representation in multi-stakeholder platforms, and county/national committees to ensure that farmers have a voice in decisions affecting the value chain.

2) Contractual Agreements and Memoranda of Understanding

a) Formal contracts and Memoranda of Understanding (MoUs) define roles, responsibilities, and terms of engagement: cane supply agreements; Input supply contracts; Pricing frameworks and payment terms; Mechanized services and harvesting schedules.

b) These agreements ensure clarity, minimize disputes, and enhance mutual accountability.

3) Joint Planning and Coordination Mechanisms

a) Joint planning forums will be held biannual, between the farmers' organizations and millers to align on: cane development targets; harvesting and transportation schedules; input demand and delivery timelines.

b) Shared databases or digital platforms may be used to enhance transparency and coordination.

4) Information Sharing and Communication

a) There will be established clear, consistent communication channels for real-time updates on: cane pricing, weather forecasts, pest/disease outbreaks, Input availability, market trends

b) Farmers' organizations will act as information hubs for their members, supported by bulk SMSs, radio, mobile apps, and extension agents.

5) Quality Assurance and Standards Compliance

a) The farmers' organizations will collaborate with millers and regulators to enforce quality standards e.g. sugarcane maturity, cleanliness, and varietal purity.

b) There will be joint monitoring teams to inspect cane at farm and delivery points.

c) Capacity-building programs will be undertaken for farmers on best agronomic and harvesting practices.

6) Financial Services and Access to Credit

a) Farmers' organizations will act as intermediaries to aggregate credit demand and negotiate better terms with: commercial banks, microfinance institutions, SACCOs, and government-backed agricultural credit schemes.

b) Farmers' organizations will develop guarantee mechanisms, farmer credit scoring, and group lending models, for the benefit of their members.

7) Dispute Resolution and Grievance Redress

a) Multi-stakeholder grievance redress committees shall be established at: catchment level eg. between the farmers' organization, the miller and a transporter; and the county level, where the regulator will be involved.

b) Disputes on pricing, delivery timelines, cane theft, and contract breaches handled through structured mediation (The Sugar Arbitration Tribunal), before escalation to the courts of law.

8) Capacity Building and Technical Assistance

a) Farmers' organizations will undertake joint delivery of training programs on: agronomic practices; governance and leadership for farmer groups; financial literacy and cooperative management.

b) There will be partnerships with KESRETI, universities, NGOs, and extension providers.

9) Value Addition and Market Development

a) Farmers' organizations will collaborate to promote: farmer participation in value-added activities e.g. jaggery, molasses, ethanol, collective marketing strategies, market diversification e.g. specialty sugars, export markets.

b) This involvement is key in ensuring that farmers get an equitable share of proceeds of the sugar value chain.

10)Policy Advocacy and Regulatory Engagement

a) Through the National Federation, farmers engage with key partners e.g. Kenya Sugar Board, County Governments, the Ministry responsible for Agriculture.

b) The areas of focus include: the cane pricing policy, subsidies and incentives, infrastructure development, and sugar import/export regulation.

CHAPTER THREE: GOVERNANCE STRUCTURES

3.1 Introduction

A well-defined organizational and governance structure is the cornerstone of effective and efficient management within sugarcane farmers' organizations. It provides clarity on roles, responsibilities, and decision-making processes, ensuring that leadership is accountable and resources are managed transparently. By establishing clear lines of authority, functional committees, and participatory mechanisms, the organization is better positioned to coordinate activities, safeguard members' interests, and promote collective growth. Strong governance not only builds trust among members but also enhances compliance with legal, regulatory, and cooperative principles, thereby creating a sustainable framework for productivity, profitability, and resilience in the sugar industry.

3.2 Organizational Structure of a Sugarcane Farmers' Organization

A sugarcane farmers' organization is usually structured to balance farmer representation, governance, and operational efficiency. The key Features of an Effective Structure are:

1) Clear separation of governance (farmers' representatives) and management (professional staff).
2) Mechanisms for farmer participation at all levels.
3) Built-in transparency and accountability (e.g., supervisory committee, audits).
4) Flexibility to scale depending on size with small groups having only a committee and large federations have full departments.

While the exact structure depends on size, legal framework, and national regulations, a typical organizational structure comprises the following:

1) **General Assembly** drawing its membership from all registered members, the farmers. The General Assembly is the supreme decision-making body and approves policies, budgets, elections, and major strategic directions.
2) **Board of Directors/Management Committee** comprises the elected representatives of farmers, often by zones/wards/regions to ensure inclusivity. They provide governance, policy oversight, and strategic direction. The Committee Members shall be elected by Growers in Annual General Meetings for a period of three (3) years. The Committee members shall form sub-committees to deal with specific issues eg. Finance and Operations.

   The members are:

1. **Chairman:** The role of the Chaiman is to preside at general meetings, Committee meetings and perform such other duties as may be directed by the Board of Directors, not inconsistent with provisions of the Act, the Rules and these Existing By-Laws;
2. **Vice-chairman:** Performs the duties of the Chairman in his/her absence and any other duties as may be directed by the Board of Directors.
3. **Secretary:** Takes the minutes of the General and Committee meetings; ensures that notices of the meetings are prepared and sent out; ensures that the Sugarcane Farmers Organization's correspondence is promptly and correctly attended to; and performs such other duties as may be directed by the Board of Directors.
4. **Treasurer:** The functions of the Treasurer include:
   a) Generally, manages or causes to be managed the financial affairs of the Sugarcane Farmers Organization in a competent manner;
   b) Ensures that a proper record is kept of all monies received and paid out by the Sugarcane Farmers Organization, its assets, liabilities, capital reserve and its income and expenses;
   c) Ensures the safekeeping of the Sugarcane Farmers Organization money, securities and books of accounts;
   d) Ensures that all payments and expenditures are dully authorized;
   e) Ensures that within ten days after the closure of each month, a financial statement showing the condition of the Sugarcane Farmers Organization's finances at the end of the preceding month is prepared and submitted to the Committee for discussion; and
   f) Ensures compliance with all directions of the Committee, the Act, the Rules and these Existing By-Laws on all financial matters.
   g) Causes to be presented, a statement of the ensuing month's cash flow.
   h) Ensures sufficient funds are available for loans; and
   i) Performs such other duties as may be directed by the committee.

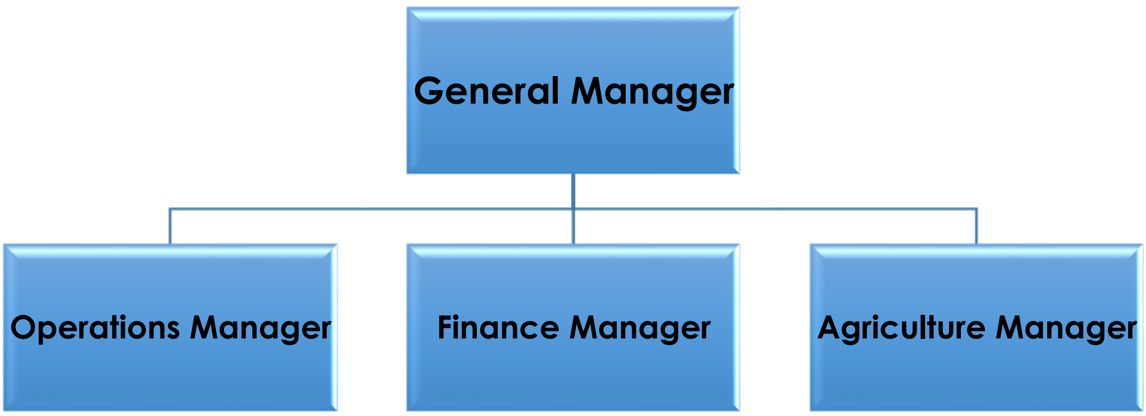
3) **Supervisory/Audit Committee** while optional is common. It is an independent body to monitor the board's compliance with rules, finances, and internal controls to Promote transparency and accountability.

4) **Management / Secretariat** comprises professional staff recruited through a competitive auditable process, and is constituted as follows:

1. **The General Manager** who is the Chief Executive Officer shall conduct the business of the Sugarcane Farmers Organization subject to overall control of the Board of Directors. The functions of the General Manager are:
   a) Advise the Committee and other Sub-Committees in formulating, preparing and implementing long term policies and programmes of the Sugarcane Farmers Organization.
   b) Supervise the work of all staff and ensure that the business of the Sugarcane Farmers Organization is conducted in a proper manner.
   c) Secretary to the Board, Board's Committee and Annual General Meeting;
   d) Execution of the Board and AGM resolutions
   e) Be responsible for the security of the funds and assets of the Sugarcane Farmers Organization.
   f) Development of staff commitment for the organization's projects and programmes, and creating confidence in the organization's future prospects;
   g) Perform such other duties as may be assigned to him by the Committee.

2. **The Operations Manager** is responsible for farmer support, procurements, contracts management, market linkages and generally promoting productivity and sustainability. The functions of the Operations Manager include:
   a) Developing and implementing strategies for efficient sugarcane production,
   b) Managing the organization's resources.
   c) Supervising and leading farm workers, including department managers, field workers, and technicians.
   d) Ensuring that the sugarcane and sugar produced meet required quality standards and regulatory requirements.
   e) Assisting in the preparation of budgets and managing the organization's financial resources.
   f) Contributing to long-term strategic planning for the organization including expansion and development plans.
   g) Monitoring key performance indicators (KPIs) and identifying areas for improvement in operational efficiency.
   h) Implementing and managing technology, research and innovation.

3. **The Agriculture Manager** is in charge of cane development and field operations. The functions of the Agriculture Manager include:
   a) Inspection of the quality of cane production operations by contractors for growers i.e. land selection, preparation, planning fertiliser application & distribution, harvesting, transportation of seed cane
   b) Advising farmers on proper farm management, to include planning of operations, diversification, farm plan, data collection and analysis
   c) Liaising with other department to conduct demonstrations and farm visits to help increase cane production and other farming activities
   d) Co-ordinating inputs supply to cane farmers in their respective factory zones
   e) Undertaking membership recruitment, signing for cane supply agreement and working relationship
   f) Advising farmers on financing of farm operations to include inputs, labour and on proper utilisation of cane money especially for farming diversification



5) **Regional / Zonal Committees** are decentralized farmer committees that represent grassroots members, resolve local issues, and channel farmer concerns upward.

CHAPTER FOUR: MEMBERSHIP GUIDELINE POLICY

4.1 Introduction

Membership is the cornerstone of any sugarcane farmers' organization, as it defines who the organization serves and determines the strength, legitimacy, and sustainability of its operations. A clear membership policy provides guidance on eligibility, rights, obligations, and benefits of members, while fostering inclusivity, accountability, and commitment to collective goals. This chapter outlines the principles and procedures governing membership to ensure transparency, fairness, and harmony in the organization, thereby strengthening the unity and bargaining power of farmers in the sugar industry value chain. The following are the key components for consideration in the Membership Policy.

4.2 Legal Status and Compliance

For a sugarcane farmers' organization to operate effectively and protect the interests of its members, it must have a clear legal status and comply with all applicable laws, regulations, and policies. Legal recognition not only grants the organization legitimacy and enforceability of its decisions, but also provides members with assurance that their rights and contributions are safeguarded under the law. Compliance with statutory requirements, such as registration, reporting, and governance standards, further enhances transparency, accountability, and credibility. The sugarcane farmers' organization required the following for legal recognition:

1) Registered under a recognized legal framework (Co-operative Societies Act, Companies Act, or Social Development Act)
2) Valid Certificate of Registration available
3) Constitution or by-laws in place and up-to-date
4) Annual returns filed with the relevant registrar (where applicable)

4.3 Governance and Organizational Structure

Good governance and a well-defined organizational structure are essential for the effective management and sustainability of sugarcane farmers' organizations. They provide a clear framework for decision-making, accountability, and participation, ensuring that leadership serves the collective interests of members. A sound governance system promotes transparency, equity, and integrity, while an appropriate organizational structure establishes roles, responsibilities, and reporting relationships that enhance efficiency. The following aspects are requisite for proper governance: Functional Board or Management Committee in place

1) Clearly defined leadership roles and responsibilities
2) Documented policies on elections, conflict resolution, and financial oversight
3) Evidence of regular meetings (AGMs, board meetings, etc.)
4) Gender and youth inclusion in leadership and membership structures

4.4 Operational Capacity

Operational capacity is the backbone of a sugarcane farmers' organization, as it determines the ability to deliver services, implement programs, and fulfill its mandate effectively. It encompasses the human resources, systems, infrastructure, and financial resources necessary to translate plans into action. Strengthening operational capacity ensures efficiency, responsiveness, and resilience, enabling the organization to meet member needs, adapt to challenges, and take advantage of opportunities within the sugar industry. The following are key elements of operational capacity required to sustain performance and achieve organizational goals.

1) Active engagement in sugarcane farming (members with planted cane)
2) Active engagement in meetings, elections, and policy formulation
3) Documented supply arrangement or contracts with a licensed miller
4) Historical records of cane deliveries (where applicable)
5) Organizational capacity to coordinate input procurement, extension services/training, and member mobilization

4.5 Financial Systems and Accountability

Sound financial systems and accountability are vital to the credibility, sustainability, and growth of sugarcane farmers' organizations. Proper financial management ensures that members' contributions and organizational resources are safeguarded, utilized efficiently, and reported transparently. Clear financial policies, accurate record-keeping, and regular audits not only build trust among members but also enhance the organization's ability to attract external support and partnerships. The following are key principles and practices that guide financial systems and accountability, thereby strengthening transparency, discipline, and confidence in the organization's operations.

1) Functional bank account in the organization's name
2) Accurate and timely Record-Keeping and compliance to Reporting provisions (income/expenditure statements, ledgers, receipts)

3) Willingness to submit to external audits or KSB financial oversight
4) Transparent system for managing funds, loans, or grants
5) Clear procedures and Efficient Collection and Use of Member Contributions
6) Robust Financial Policies and Controls
7) Clear sanctions for non-compliance or financial misconduct
8) Promoting financial literacy to enhance confidence in oversight
9) Adherence to cooperative, company, or association laws on financial reporting
10) Sustainability and Financial Discipline
11) Encouraging prudent use of resources aligned with organizational priorities
12) Managing debts and obligations responsibly

4.6 Membership and Scale

The strength and influence of a sugarcane farmers' organization largely depend on the size and quality of its membership. A broad and active membership base enhances economies of scale, bargaining power, and sustainability, while also ensuring that the organization remains representative of farmers' interests. At the same time, managing membership growth requires clear policies to maintain cohesion, fairness, and effective service delivery. The following are key considerations on how to balance inclusivity with efficiency to strengthen the organization's role in the sugar industry.

1) Minimum required number of active members (e.g. 100+) for critical mass and bargaining power to strengthen economies of scale in input supply, marketing, and negotiations with millers and service providers.
2) Aggregate land area under cane meets threshold (e.g., 100+ hectares)
3) Membership register maintained and updated
4) Clear and fair eligibility criteria for membership to include the participation of women, youth, and marginalized farmers
5) Ensuring equitable access to benefits across members regardless of scale of production.
6) Designing governance structures that can effectively represent a large and diverse membership.

7) Leveraging a large membership base to mobilize resources through fees, shares, and levies.

8) Balancing membership growth with the capacity to manage finances and deliver services effectively.

9) Geographic Spread and Cohesion to ensure manageable coordination and communication

10) Considering the area of coverage to ensure manageable coordination and communication too keep members connected and engaged

11) Introducing technology to manage records, communications, and service delivery as membership expands.

4.7 Business Planning and Proposal Readiness

Business planning is necessary in transforming agricultural goals into a strategic business plan, a critical tool for securing funding, attracting partnerships, and achieving sustainable growth. There are three key considerations for business planning and proposal readiness: internal capacity, market and financial analysis, and proposal-specific preparation. The following aspects strengthen the position of the sugarcane farmers' organization in the market equipping it to present a professional, well-structured, and compelling case to potential investors and partners.

1) **Internal Capacity:**

   a) Understanding the team's skills and expertise in finance, marketing, and operations to develop a comprehensive plan

   b) Defining clear objectives: The SFOs short and long-term SMART

   c) Securing leadership buy-in: The entire leadership team must support the business plan for it to be implemented successfully.

2) **Market and Financial Analysis:** A strong business plan is built on a solid understanding of the market and financial position. The SFO needs to undertake the following:

   a) Market research: The SFO needs to know the target customers, competitors, and the overall industry trends, to identify its unique selling proposition.

   b) SWOT analysis: A thorough analysis of the SFOs Strengths, Weaknesses, Opportunities, and Threats is necessary to understand the internal and external environment.

c) Financial health check: The SFO needs a clear picture of its current financial situation, including revenue, expenses, assets, and liabilities. Projecting future financial performance is also crucial for demonstrating viability to potential partners.

3) **Proposal-Specific Preparation:** Once the SFOs business plan is solid, there's need to tailor it for a specific proposal through the following process:

   a) Align with the donor/investor's interests: Research the funding source to understand their priorities and tailor your proposal to show how your project aligns with their mission.

   b) Create a compelling narrative: Beyond the numbers, your proposal needs a story. Explain the problem the proposed project solves and the positive impact it will create.

   c) Compile supporting documents: Gather all necessary paperwork, such as legal registration, audited financial statements, and letters of support, to demonstrate your organization's credibility.

4.8 Technical and Extension Capacity

A robust technical and extension capacity is requisite in providing the essential knowledge, skills, and resources needed to improve farming practices, increase productivity, and ensure sustainable operations. The SFO can then effectively disseminate best practices, adopt innovative technologies, and address the specific challenges faced by members, thereby strengthening the entire value chain. For the SFO to build technical and extension capacity, the following considerations are key:

1) Needs Assessment and Customization: The SFO has to identify the specific needs of its members and understand what the farmers are struggling. A tailored approach ensures that extension services are relevant and effective. For example, an extension program for an area with an older, less educated farming population might need a different approach (e.g. more hands-on demonstrations) than one for a younger, more tech-savvy group.
2) Knowledge and Skills Transfer: Effective extension is about building lasting skills, hence the need for:

   a) Training and Demonstrations: This is a core component. The SFO needs to conduct regular, practical training sessions and establish demonstration plots where farmers can see new techniques and crop varieties in action. This "learning by doing" approach is highly effective.

b) Adoption of Technology: Farmers need to be trained on the benefits and proper use of new technologies, such as improved sugarcane varieties, soil testing kits, and even digital tools like weather apps or market price platforms.

c) Farmer-to-Farmer Networks: Encouraging peer learning by identifying "lead farmers" who can act as local trainers and advisors is a cost-effective way to scale knowledge transfer.

3) Human and Financial Resources: A strong extension service requires dedicated resources for:

a) Hiring or training skilled extension officers who are not only knowledgeable about sugarcane but also have strong communication and teaching skills.

b) Providing incentives for both extension staff and farmers can boost participation and the adoption of new practices.

c) Securing a stable funding stream for extension activities, whether through membership fees, partnerships, or grants.

4) Monitoring and Evaluation: To ensure the technical and extension program is working, it's crucial to measure its impact. This can be achieved through:

a) Data Collection data on key performance indicators, such as yield per hectare, input costs, and the adoption rate of new practices, to quantify the program's success.

b) Establishing channels for farmers to provide feedback to the SFO to continuously refine and improve the extension services to better meet their evolving needs.

4.9 Partnerships and Value Chain Integration

Collaboration with input suppliers, processors, financial institutions, and other stakeholders can enhance productivity, ensure market access, and create a more resilient and profitable business model. By actively engaging with all actors in the value chain, the SFO can move beyond basic production to become a central and influential player in the sugarcane industry.

To foster effective partnerships and integrate into the value chain, a sugarcane farmers' organization needs to consider strategic positioning, operational efficiency, and governance and trust. These three areas ensure the organization is not just a supplier of raw materials but a strategic, reliable, and profitable partner.

1) **Strategic Positioning**: An SFO must understand its place within the broader sugarcane value chain, which includes input suppliers, millers, financial institutions, and end-market buyers. This entails:

a) Mapping the Value Chain to identify and understand all the actors, among them upstream partners (e.g. fertilizer and seed suppliers, banks) and downstream partners (e.g. sugar mills, ethanol processors). Identifying these relationships helps the SFO find opportunities for collaboration.

b) Identifying Value-Added Activities: Beyond just growing and selling cane, an SFO can integrate by offering value-added services. For example, it could partner with a logistics company to handle transportation, or with a research institution to test new, high-yield cane varieties. This moves the organization from a reactive role to a proactive one, increasing its influence and profitability.

2) **Operational Efficiency**: Partners are more likely to work with a reliable and well-managed SFO. Operational readiness is crucial for building and maintaining these relationships.

a) Quality and Standards: Mills and processors require a consistent supply of high-quality sugarcane. The SFO must implement robust quality control measures, from field practices to post-harvest handling, to meet these standards. This is often done through contract farming, where a formal agreement specifies quality, quantity, and price.

b) Logistics and Coordination: The sugarcane supply chain is time-sensitive due to the perishability of the crop. An SFO must have a clear plan for harvesting and transporting cane to the mill to minimize delays and spoilage. Efficient logistics not only preserves quality but also reduces costs for both the farmers and the mill.

c) Access to Finance and Technology: To upgrade practices, SFOs need access to capital and technology. Partnerships with banks and financial institutions can secure credit for farmers to invest in new equipment or inputs. Collaborations with agricultural technology companies can introduce modern tools for precision farming, which improves yields and resource management.

3) **Governance and Trust**: Partnerships are built on a foundation of mutual trust and transparent governance. This are mainstreamed through:

a) Formal Agreements: All partnerships should be governed by clear, legally binding contracts. This includes agreements with mills, suppliers, and buyers. A well-defined contract protects the interests of the farmers and provides a framework for dispute resolution.

b) Transparency and Communication: Theres need to maintain open and honest communication with all partners. Sharing information about harvest schedules, quality issues, or production forecasts builds trust and allows for better coordinated operations throughout the value chain.

c) Shared Benefits: Partnerships should be structured to provide a fair and equitable distribution of benefits. This ensures that the SFO and its members get a fair share of the value created, making the collaboration sustainable and mutually beneficial in the long term.

4.10 Monitoring, Evaluation and Reporting

This covers the processes and tools needed to track progress, measure impact, and ensure accountability to members and partners. By effectively implementing MER, the SFO can make data-driven decisions, demonstrate the success of its projects, and continuously improve its services to better serve the needs of its members.

When crafting a MER system for an SFO, the key considerations fall into three main areas: framework and design, implementation and data management, and resource allocation.

1) **Framework and Design:** A strong MER system starts with a clear, well-thought-out plan. It's not just about collecting data, but about knowing what to measure and why. This is achieved through

a) Defining Objectives and Indicators: Start by identifying what you want to achieve. These should be SMART goals: Specific, Measurable, Achievable, Relevant, and Time-bound. For an SFO, this could be "increase average cane yield by 10% in two years" or "reduce pest infestation by 15%." Once you have goals, you must select the indicators that will show whether you're meeting them. For example, "average yield per hectare" and "number of farmers using pest control methods" are strong indicators.

b) Creating a Logical Framework: A logical framework, or "logframe," visually represents the project's logic, linking inputs (resources) to activities, outputs, outcomes, and long-term impact. This helps everyone understand the 'why' behind the project and makes it easier to track progress and report on results.

c) Establishing Baselines: Before starting a project, you need to know where you're starting from. A baseline study collects initial data on key indicators so you can accurately measure changes and demonstrate the impact of your interventions. Without a baseline, you can't prove that your work made a difference.

2) **Implementation and Data Management:** A well-designed MER system is only useful if implemented. This can be achieved through:

a) Data Collection which covers what data to collect, how often, and who will collect it. Methods can range from simple paper surveys and logbooks to more advanced digital tools like mobile apps for field data collection. The SFO needs to ensure the data collected is accurate, reliable, and standardized across the organization.

b) Analysis and Interpretation: Data needs to be analysed to reveal trends, successes, and challenges. The SFO should have the capacity to process this data, either with in-house expertise or through partnerships, and translate it into clear, actionable insights for decision-makers.

c) Reporting and Dissemination: MER data is used for a purpose and need be tailored to different audiences (e.g. a detailed report for the board, a simple summary for farmers, or a professional proposal for donors). Regular reporting keeps all stakeholders informed and accountable.

3) Resources and Capacity: MER requires dedicated resources and skilled personnel as follows:

a) Human Resources: The SFO needs staff who can manage the MER system. This could be a dedicated M&E officer or a team member with strong data skills. Training is critical to build the capacity of both staff and farmers to understand and use the system effectively.

b) Financial Resources: Budgeting for MER is crucial and includes costs for data collection tools, training, and potential external consultants for evaluations. A common mistake is to underfund MER, which undermines its effectiveness.

c) Organizational Culture: MER is a tool for learning and improvement. The SFO must foster a culture of transparency and accountability where data is used to celebrate successes, learn from failures, and continuously improve operations.

4.11 Enterprise Risk Management

This relates to the strategies and practices necessary to identify, assess, and mitigate the various threats that could impact agricultural operations, from climate change and market volatility to pests and diseases. By building a proactive approach to risk, the SFO can ensure its long-term viability and contribute to the economic, social, and environmental sustainability of the entire sugarcane value chain.

Key considerations for risk management and sustainability in a sugarcane farmers' organization can be categorized into three pillars: economic, environmental, and social. A successful SFO must address all three to build a resilient and lasting operation.

1) **Economic Viability and Risk Management:** Economic sustainability is the foundation of any business. For an SFO, this means ensuring that

farming remains profitable for its members and that the organization can weather financial shocks.

a) **Financial Risk**: This involves managing a variety of financial threats. Key strategies include:

   1. **Market Volatility**: Mitigate the risk of fluctuating sugarcane prices by securing long-term contracts with mills or processors.
   2. **Credit and Debt Management**: Ensure that credit is available to members for inputs, but also manage loan repayment and avoid excessive debt.
   3. **Diversification**: Encourage farmers to diversify their income streams, for example, by intercropping other crops with sugarcane or by finding new markets for sugarcane byproducts.

b) **Operational Risk**: This focuses on the day-to-day threats to the business.

   1. **Supply Chain Resilience:** Build strong relationships with reliable suppliers of seeds, fertilizers, and equipment to ensure a consistent supply.
   2. **Post-Harvest Losses**: Implement strategies to minimize losses after harvest, such as improving transportation logistics and storage.
   3. **Proactive Management:** Actively identify, assess, and prioritize risks. This involves identifying potential threats (e.g., a mill shutting down, a new pest outbreak) and developing a plan to address them.

2) Environmental Stewardship and Climate Resilience: Long-term sustainability is directly linked to the health of the environment. Sugarcane organizations must adopt practices that protect natural resources.

a) Soil Health: Promote practices that maintain or improve soil fertility, such as crop rotation, reduced tillage, and the use of organic fertilizers. Healthy soil is more resilient to drought and improves yields over time.

b) Water Management: Sugarcane is a water-intensive crop, so efficient water use is critical. Encourage members to adopt water-saving technologies like drip irrigation and practices such as trash mulching (leaving cane residue on the field) to retain soil moisture.

c) Climate Change Adaptation: Address the increasing threat of climate change by:

   1. Adopting Resilient Varieties: Promoting the use of sugarcane varieties that are tolerant to drought, pests, or diseases.
   2. Implementing Integrated Pest Management (IPM): Moving away from heavy reliance on chemical pesticides by using a combination of biological controls and cultural practices to manage pests.
   3. Minimizing Environmental Impact: Promoting green harvesting techniques instead of pre-harvest burning, which releases greenhouse gases and pollutes the air.

3) Social Equity and Organizational Governance

An organization's success depends on the well-being of its members and the broader community. This is fostered through:

a) Fair Practices: Ensuring that all farmers, especially smallholders, have equitable access to resources, training, and market opportunities. The organization should advocate for fair prices and transparent payment systems with mills.

b) Worker Welfare: Promote and enforce fair labor practices, including safe working conditions and fair wages for all farm workers. This not only fulfills ethical obligations but also strengthens the organization's reputation and attracts reliable labor.

c) Strong Governance: A well-run organization is more resilient. This includes establishing clear, democratic decision-making processes, ensuring financial transparency, and building a strong sense of community and trust among members.

4.12 Rights of Grower Members

A Grower member of the SFO shall have the right to:

1) Attend, participate and vote in decision making at all Annual General meetings of the Sugarcane Farmers Organization;
2) Be an active member and participates in the activities of the Sugarcane Farmers Organization, subject to the current by–laws;
3) Access to funding through Sugar Development Funds Loan facilities;
4) Access all legitimate information relating to the Sugarcane Farmers Organization, at the Organization's registered office.

4.13 Obligations of Grower Members

The grower members are obligated to ensure that all their actions and decisions are in full compliance with the foundational principles, values, and by-laws of the SFO. They must adhere to all directives issued by the management and the Board, thereby upholding the integrity and operational framework of the organization.

4.14 Cessation of Grower Membership

Grower membership in the Sugarcane Farmers organization shall cease or be deemed to have ceased in regard to any Grower member from the date of:

1) Death
2) Withdrawal
3) Expulsion
4) Being certified to be of unsound mind.
5) Transfer of shares to another Grower member.
6) Failure to remit share contributions and loan repayments for a continuous period of six months without valid reasons or leave of the Sugarcane Farmers organization.

4.15 Withdrawal from Sugarcane Farmer Organization

A Grower member may, at any time, formally withdraw from the Sugarcane Farmers' Organization by providing a written notice to the committee. This notice must be submitted at least sixty (60) days prior to the intended date of withdrawal.

4.16 Payment on Cessation of Grower Membership

On cessation of Grower membership, a person shall be refunded the following amounts:

1) Any dividends or interests due to him prior to the date the Grower membership ceased; and
2) Any other sums held by the Sugarcane Farmers organization on his behalf after deduction of any sum owed to the Sugarcane Farmers organization.

4.17 Nominee

Upon the incapacitation or death of a Grower member, their designated nominee, who must be their next of kin, will assume the member's responsibilities and rights within the Sugarcane Farmers' Organization.

1) Every Grower member shall nominate in writing one or two persons as nominee(s). The nomination shall be attested to by two witnesses who are Grower members of the Sugarcane Farmers organization.
2) The names of such nominee(s) shall be entered in the nominee register. Provided that a Grower member shall have the right to change his/her

nominee(s) in writing in the presence of two attesting witnesses who are Grower members of the Sugarcane Farmers organization

4.18 Payment to Nominee

The Sugarcane Farmers' organization after obtaining such documentary proof of the death of a Grower member as it may consider necessary, shall pay to the nominee the value of the deceased Grower member's deposits, interest and dividend after deducting monies owed to the Sugarcane Farmers organization, if any.

CHAPTER FIVE: FINANCIAL MANAGEMENT AND RESOURCE MOBILIZATION

5.1 Introduction

This Chapter details the essential principles and practices required to maintain sound financial health, ensure transparency, and strategically raise the capital needed for growth and sustainability. By mastering the concepts outlined here, an SFO will be equipped to manage its finances effectively, attract investment, and allocate resources to maximize benefits for all its members.

Key considerations in financial management and resource mobilization for a sugarcane farmers' organization can be divided into three core areas: financial planning, strategic resource mobilization, and accountability.

5.2 Financial Planning and Management

Effective financial management is the foundation of a stable and growing SFO. This requires more than just tracking expenses; it demands a proactive approach to budgeting, cash flow, and financial health.

1) **Budgeting:** The organization must create and manage a detailed budget that reflects its strategic goals. This includes forecasting all revenues (e.g. membership dues, crop sales) and expenses (e.g. administrative costs, input supplies, technical services). The budget should be a living document, regularly reviewed and adjusted based on actual performance.
2) **Cash Flow Management**: Ensuring a steady flow of cash is vital for day-to-day operations. The organization must manage receivables from mills and other buyers and payables to suppliers and farmers in a timely manner. This prevents liquidity crises and builds trust with all partners.
3) **Financial Reporting:** Regular, accurate financial reports (e.g. balance sheets, income statements) are essential. These reports provide a clear picture of the SFO's financial position, allowing leadership to make informed decisions and demonstrate fiscal responsibility to members and potential funders.

The SFO shall keep up-to-date and in a proper corporate manner, such books of accounts and records as stipulated in the existing organization's by-laws and the rules, and in particular:

1) A register of grower members showing in respect of each grower member:
    a) name, age, date of application for grower membership, address and occupation;
    b) date of admission to grower membership;

c) date of cessation of grower membership,

d) name and particulars of nominees, and

e) any other information as may be required by the sugarcane farmers organization from time to time.

2) Minutes books giving details of proceedings of committee meetings.

3) Minutes book giving details of proceedings at the general meetings.

4) A cashbook showing the details of all monies received or paid out by the sugarcane farmers organization.

5) A general ledger containing such accounts as is necessary to reflect the business of the sugarcane farmers organization.

6) A personal ledger for each grower member showing his/her transactions with the sugarcane farmers organization.

7) A register of organization's assets and property

8) A register of loans showing in respect of each loan; the loan number, name of the borrower, the amount borrowed, the purpose of the loan, the due date of repayments and the date repayments are completed.

9) Such other books and records that the committee may decide from time to time.

5.3 Strategic Resource Mobilization

Resource mobilization goes beyond collecting dues; it's about strategically seeking and securing funds to support the SFO's mission and future growth.

1) Diversification of Funding: Relying on a single source of income is a major risk. An organization should diversify its funding by exploring multiple avenues, such as:

    a) Internal Sources: Membership fees, service charges for value-added services (e.g. collective purchasing, training), and profits from commercial ventures (e.g. a transport service).

    b) External Sources: Applying for grants from government agencies, non-governmental organizations (NGOs), and development partners; securing loans from banks or credit unions; and attracting private investment.

2) Building Partnerships: Resource mobilization is often a direct result of strong partnerships. Cultivating relationships with donors, government bodies, and private sector entities is critical. A well-crafted proposal that aligns with a partner's goals can unlock significant funding. The organization must be able to clearly articulate its value proposition and the positive impact of its work.

5.4 Accountability and Transparency

Trust is an SFO's most valuable asset. A strong system of accountability and transparency ensures that resources are used wisely and that members and partners have confidence in the leadership. The following are key considerations in building accountability and transparency:

1) Auditing: Regular independent audits are essential for verifying financial records and demonstrating compliance with financial regulations and organizational by-laws. An audit provides an objective assessment of the organization's financial health and management.
2) Transparent Reporting: Financial information must be accessible and understandable to all members. The organization should hold regular meetings to share financial reports and explain how funds are being used. This transparency builds confidence and encourages member participation.
3) Internal Controls: Establishing and enforcing strong internal controls, such as a clear system of checks and balances for financial transactions, helps prevent fraud and mismanagement. These controls protect the organization's assets and ensure its long-term stability.

5.5 Authorization to Sign Documents

1) All documents, contracts and cheques shall be signed on behalf of the sugarcane farmers organization by any three of the following: Chairman, Vice Chairman, Secretary and Treasurer
2) The General Manager shall countersign all the documents
3) The Committee may authorize any other officer to sign the documents of the sugarcane farmers' organization

5.6 Financial Year

the financial year of the sugarcane farmers organization shall be the period of twelve months ending on the 30th of June in every year.

5.7 Disposal of Surplus Funds

subject to the act and rules, the net surplus resulting from operations of the sugarcane farmers organization during any financial year shall be disposed of as follows:

1) 20% (1/5) shall be credited to the reserve fund.
2) the balance may be disposed of as decided by the general meeting for:
    a) paying dividends and interest on shares and deposits
    b) being forwarded to education fund or any other fund of the sugarcane farmers organization including the appropriations
    c) paying honorarium to committee grower members

d) any other purpose approved by the general meeting

5.8 Loans and Grants

5.8.1 Introduction

Access to affordable loans and grants is essential for the sustainability and growth of a sugarcane farmers' organization, as it enables members to invest in improved production, strengthen collective operations, and cushion against financial challenges. By mobilizing resources through credit and external support, the SFO can enhance its capacity to deliver services, promote value addition, and improve the overall welfare of its members. The following are key considerations for the SFO loans and grants:

1) The sugarcane farmers' organization shall have a loan and grant policy approved by the general meeting.
2) All loans and grants shall be approved by the committee.
3) Loans and grants shall only be given for worthy purposes that benefit the borrower and be of public good.
4) The prescribed rate of interest on loans shall be determined by the board and recommended to the committee and the general meeting.

5.8.2 Application for Loans and Grants

1) All loans and grants shall be applied on the prescribed loan application forms provided by the Kenya Sugar Board.
2) The loan and grants application in each case shall set forth the amount applied for, the purpose for which the loan is desired, the terms of repayment, the security if any, and such other information as the committee may require.
3) All applications for loans and grants, and reports thereon shall be filed as records of the sugarcane farmers organization.

5.8.3 Loan Granting

1) Loans shall be granted by the committee in respect to the credit limit approved by the general meeting.
2) No loan shall be granted except for a specified and approved purpose, for a definite period and at a fixed rate of interest.
3) No loan shall be made to any grower member in excess of 5% of the sugarcane farmers organization.
4) Loans shall be granted to executive officers, employees of the sugarcane farmers organization who are grower members only if:
5) The loan is in accordance with these existing by-laws and is not on terms more favourable than those extended to other borrowers.
6) The loan is approved by the sub-committee with recommendations to the committee.

5.8.4 Security for Loans

The loans sub-committee shall require the grower member to give the following securities for loans:

1) Deposits of a grower member
2) Deposits of the guarantor(s)
3) Any other collateral as it may consider necessary. provided that:
   a) the loans sub-committee shall not accept as guarantor, a grower member who has taken a loan and has already guaranteed three loans.
   b) no grower member of the management and supervisory committee grower member shall act as endorser or guarantor for borrowers from the sugarcane farmers organization.
   c) a borrower may apply to the committee for change of guarantors.

5.8.5 Repayment of Loans

1) Loans shall be repaid according to the terms in the loan application form. however, a borrower may, on any day on which the sugarcane farmers organization is open for business, repay his loan in whole or in part prior to its maturity, subject to approval of the committee.
2) Any request for an extension of time in which to pay, shall be accepted by the committee only in exceptional circumstances; provided such extension shall not result in financial losses to the sugarcane farmers organization. any extension so granted shall be treated as a new loan and an extension agreement shall be executed and signed.

5.8.6 Re-financing of loans

1) Notice shall be given to all grower members when the sugarcane farmers organization has the capacity to re-finance loans.
2) The re-financing of loans shall be allowed by the committee only when the sugarcane farmers organization has satisfied all loan demands and has sufficient funds.
3) The re-financed loan shall be treated as a new-loan, and subjected to the normal loan approval procedures.

5.8.7 Loans as an Item of the Agenda

1) At every sub-committee meeting the item "loans" shall appear on the agenda and the sub-committee shall present a list of loans recommended for approval.
2) In the meeting, the treasurer will present an up-to-date list of delinquent borrowers showing; -
   a) Name of borrower
   b) Account number
   c) Date of loan

d) Unpaid loan balance

e) Borrower's deposit balance

f) Number of months the loan has been defaulted

g) Security and guarantor/s

3) The sub-committee shall take action to collect the overdue loans as follows:
   a) Any loan overdue for payment for more than three months shall be referred to the guarantor/guarantors provided that the sugarcane farmers organization shall give notice of such intention to the borrower and guarantor/s.
   b) Any disputed loan shall be referred to the tribunal provided that the sugarcane farmers organization shall give a written notice to the borrower on its intention to do so.
   c) The committee shall make a full report on loans to the members at the annual general meeting.

5.8.9 Procurement

The sugarcane famer organizations shall consider the following while procuring:

1) Open and competitive bidding for goods and services
2) Maintain supplier register

5.8.10 Human Resource Management

1) Written contracts for loans staff
2) Performance appraisals conducted annually
3) A budget allocation for staff training

5.8.11 Financial sustainability

The funds for the the sugarcane farmers' organization shall consist of:

1) Joining fee of Kshs. 200 per member
2) An unlimited number of shares of the Kshs. 1,000.00 per member
3) Grants the Kenya Sugar Board
4) Administration fees and penalties charged on loans or services rendered
5) Any surplus resulting from operations of the sugarcane farmers organization
6) Any donations, gifts from other bodies, organizations and individuals
7) Funds obtained from other lawful sources

5.8.12 Compliance and Reporting

1) Submit quarterly and annual reports to Kenya Sugar Board

2) File tax returns with Kenya Revenue Authority
3) Conduct annual external audits

5.8.13 Performance measurement

1) Use key indicators: yield per hectare, payment turnaround, member retention
2) Conduct member satisfaction surveys annually
3) Review performance at AGMs

5.9 Funding from Sugar Development Fund

Funds drawn for the SDF shall only be applied by sugarcane farmers' organizations for the promotion and marketing of their mandate and objectives of the sugarcane farmers organization and shall be invested in:

1) Corporate governance
2) Digitalization of farmer records and business processes
3) Capacity building in good agricultural practices (GAPs)
4) Any other functions of the sugarcane farmers' organization as may be determined by the board from time to time
5) Loans granted to grower members

5.10 Shares

5.10.1 Introduction

Shares held by members form the foundation of a sugarcane farmers' organization, as they represent both ownership and commitment to the collective enterprise. By contributing equity through shares, members strengthen the organization's capital base, enhance its financial stability, and secure their rights to participate in decision-making and benefit sharing. This structure fosters accountability, inclusivity, and a sense of shared responsibility in advancing the common interests of all growers.

Every grower member shall hold minimum shares of Kshs. 1,000.00 as shall be fixed by the general meeting.

5.10.2 Transfer of shares

1) A grower member may at any time transfer shares to another grower member but not to any other person. Such transfers must be in writing and at the nominal value.
2) All transfers of shares shall be registered with the sugarcane farmers' organization and no transfer shall be valid unless so registered.

5.10.3 Liability

1) The liability of a grower member shall be limited to the nominal value of the shares held by him.

2) In the event of liquidation, where available funds are insufficient to pay the full nominal value of the shares held by grower members; the funds shall be distributed pro-rata among the shareholders according to the number of shares held by each.

5.11 Power to Borrow

1) Loans and grants obtained from the Kenya Sugar Board or any other financial institution subject to the maximum amount and terms approved by the general meeting.
2) For the securing of any loans accepted by the sugarcane farmers organization under the Kenya Sugar Board (KSB), the SFO may grant a charge over its assets. the authority to grant a charge shall be made by the general meeting.
3) The rate of interest on loans shall not exceed the rate prescribed by KSB and the prevailing market rates.

5.12 General meeting

5.12.1 Introduction

The Annual General Meeting (AGM) is a cornerstone of good governance in a sugarcane farmers' organization, providing members with a vital platform to exercise their democratic rights, review the organization's performance, and make key decisions for the future. It fosters transparency and accountability by enabling open discussion of financial reports, operational progress, and strategic plans, while also ensuring that leadership remains responsive to members' needs. Through the AGM, growers actively participate in shaping policies, electing representatives, and strengthening collective ownership of the organization's vision and goals. The following are key considerations for AGMs:

1) An AGM shall be convened within four months after the end of the sugarcane farmers organization's financial year.
2) Any business not completed at the annual general meeting, may be taken up at a subsequent special general meeting of the sugarcane farmers organization.

5.12.2 Obligations of the General Meetings

1) Consider and confirm the minutes of the previous AGM
2) Consider reports of committees and the audited accounts on the sugarcane farmers organization's activities during the past financial year
3) Consider and resolve on the manner in which any available surplus shall be distributed or invested

4) Elect or remove grower members of the committee
5) Confirm or reject admission of new grower members by the committee
6) Approve the estimates of income and expenditure for the financial year following the general meeting
7) Decide on the management structure, including the establishment of branches to facilitate efficient and cost-effective delivery of services to grower members
8) Appoint bankers, auditors and advocates of the sugarcane farmers organization for the ensuing year
9) Transact any other business of the sugarcane farmers organization for which notice has been given to grower members in the manner prescribed in these existing by-laws

Note: *All grower members have a right to attend the general meeting and participate in its deliberations, however they may be required to identify themselves through their respective membership numbers.*

5.12.3 Record of Business

1) All business discussed or decided at the general meeting shall be recorded without erasures and corrections in a Minute book, which within one week of the meeting, shall be signed by the chairman of the meeting and at least one other committee grower member who was present at the meeting, to indicate that in their opinion the minutes are a true and complete record of all matters discussed or decided at the meeting.
2) At the next meeting after approving any alterations or variations which shall be written immediately below the above signatures and not as alterations to the original record, the meeting shall by resolution authorize the chairman to sign and date the final record.

5.12.4 Notice of Meetings

1) The general meeting shall be convened by giving at least 15 days written notice to the grower members.
2) The Secretary shall take all usual steps to publish the notice of the meeting in public places, on the sugarcane farmers organization's notice board(s), in local newspapers or news– sheets, including the media or any other mode decided by the grower members.
3) All notices shall include a statement of the business to be dealt with.

5.12.5 Quorum

1) Except when convened by the commissioner, the presence of at least a fourth (1/4) of the total grower membership, whichever is less, shall constitute a quorum for the conduct of business at the general meeting.

2) When a quorum is not attained the chairman shall adjourn the meeting and fix a date for another meeting within one month;
3) If a quorum is again not attained, the chairman shall declare the meeting open with those present one hour after the advertised time of the meeting.

5.12.6 Elections

1) With every notice of the general meeting convened and where elections will be held, the committee shall notify the grower members of the vacancies arising in the committee.
2) During elections, the returning officer shall call for nominations from the floor and each candidate shall be compelled to have a proposer and a seconder.
3) At the elections, grower members shall decide, by majority vote, the method of voting. the method may be secret ballot or queuing or by show of hands.
4) No grower member shall be entitled to vote by proxy.
5) Irrespective of the number of shares held by him, no grower member shall have more than one vote.
6) The Kenya Sugar Board shall participate in the elections as observers.

Note: *A new committee elected at the general meeting shall not assume office unless they have satisfied the requirements of the Act, Rules and the existing By-laws of the sugarcane farmer's organization.*

CHAPTER SIX: SUSTAINABLE SUPPORT FOR SUGARCANE FARMERS' ORGANIZATIONS

6.1 Introduction

The role of the farmers' organizations is to represent farmers in bargaining for better prices for their sugarcane from the sugar millers, training farmers on sugarcane best management practices, and providing inputs at competitive prices. The organizations have grappled with many challenges in executing their mandate. The objective of capacity building will focus on enhancing their ability to operate effectively and sustainably.

6.2 Strengthening the Capacity of Sugarcane Farmers' Organizations

The Kenya Sugar Board plays a pivotal role in the transformation of the sugar industry. In collaboration with other stakeholders across the value chain, the Board will implement comprehensive capacity-building initiatives aimed at enhancing the effectiveness, sustainability, and inclusivity of sugarcane farmers' organizations. These initiatives are designed to promote improved livelihoods for farmers and ensure the long-term development of the sector.

6.3 Governance and Leadership

To enhance the institutional strength of farmers' organizations, the Board will roll out targeted training programs covering key areas such as governance, financial management, leadership, and conflict resolution.

Additionally, the following measures will be undertaken:

1) Mentorship Programs: The leaders of sugarcane farmers' organizations will be paired with experienced leaders from established agricultural cooperatives to facilitate peer learning and knowledge transfer.
2) Performance Audits: Regular evaluations will be conducted to monitor compliance with best governance practices, transparency standards, and operational efficiency.
3) Governance Strengthening: Support will be provided to reinforce internal structures such as boards, committees, and general assemblies, enabling effective engagement with millers, regulators, and policymakers.

These efforts will empower sugarcane farmer organizations to operate more transparently, advocate more effectively for their members, and strengthen their negotiating power within the sugarcane value chain.

6.4 Financial Management and Access to Credit

To ensure the long-term sustainability of sugarcane farmers' organizations, the Kenya Sugar Board will implement targeted programs aimed at improving the financial literacy among farmer leaders and members. These programs will cover:

1) Budgeting and Financial Planning: Training on how to prepare and manage budgets, monitor expenditures, and plan for seasonal cash flows.
2) Bookkeeping and Reporting: Skills development in recordkeeping, preparing financial statements, and internal controls.
3) Access to Finance: Support in preparing bankable proposals, understanding loan terms, and navigating available credit facilities through financial institutions and government programs.
4) Fundraising and Resource Mobilization: Guidance on mobilizing internal member contributions and accessing grants or investments from development partners.

The objective is to strengthen the financial viability of the farmers' organizations and enhance their capacity to independently mobilize and manage funds.

6.5 Crop Insurance and Savings Schemes

The Board will conduct training on crop risk management and facilitate partnerships with microfinance institutions and insurers. This will enable growers to access affordable, farmer-friendly insurance products and promote a culture of saving. The Board will also monitor the uptake of these services, gather feedback from stakeholders, and adjust its interventions to ensure they remain effective and responsive to growers' needs.

6.6 Agricultural Extension and Technical Support

The Board, in collaboration with County Governments, research institutions, and development partners, will strengthen the technical capacity of sugarcane out grower institutions through:

1) Agronomic Training: Best practices in sugarcane farming, including land preparation, varietal selection, integrated pest and disease management, and sustainable farming practices.
2) Demonstration Plots and Farmer Field Schools: Establishment of learning centers for hands-on experience and peer learning.
3) Soil Testing and Input Recommendations: Maintain soil health management through support in accessing soil analysis services and appropriate input packages.

4) Climate-Smart Agriculture Training: Building resilience through techniques such as mulching, water harvesting, and drought-resistant varieties.

These efforts aim to boost productivity, improve cane quality, and ensure environmental sustainability.

6.7 Collective Bargaining and Market Access

To strengthen the capacity of sugarcane farmers' organizations, the Kenya Sugar Board will implement targeted interventions aimed at enhancing collective bargaining power and improving market access. These include: providing training on contract negotiation, pricing structures, and quality standards to enable growers to engage more effectively with millers and other market actors. These efforts will empower growers to secure fair prices, reduce exploitation, and achieve better returns for their produce.

CHAPTER SEVEN: DATA AND INFORMATION MANAGEMENT

7.1 Introduction

Effective information management and communication are critical to the success of a sugarcane farmers' organization, as they ensure timely access to accurate data, enhance transparency, and strengthen coordination among members and stakeholders. By establishing structured systems for collecting, storing, sharing, and utilizing information, the organization can support informed decision-making, improve service delivery, and promote accountability. Strong communication channels further empower members to actively participate in organizational activities, foster trust, and build a united voice in advancing the interests of the sugarcane farming community.

7.2 Key considerations in Effective Information Management and Communication

1) Record-Keeping and Data Management, which entails maintaining accurate and up-to-date records of members, production, finances, and operations, and usee of both manual and digital systems for data storage and retrieval.
2) Reporting Systems with clear procedures for regular reporting to members, management, and external stakeholders; and standardized formats for financial, operational, and compliance reports.
3) Internal Communication channels for sharing information between management, committees, and members; and the use of meetings, notice boards, SMS platforms, or digital applications.
4) External Communication strategies for engaging with millers, government agencies, development partners, and the public; and official spokespersons and protocols for media or public statements.
5) Information and Communication Technology (ICT) Tools that support the adoption of digital platforms to improve efficiency in data management and communication; and the use of mobile apps, databases, and online platforms for real-time updates.
6) Feedback and Grievance Mechanisms systems for members to raise concerns, provide input, and seek redress; and procedures for timely response and resolution.
7) Transparency and Accountability ensuring open access to relevant information for members; and regular dissemination of financial and operational updates.

8) Confidentiality and Data Protection safeguarding sensitive member and organizational information, while complying with relevant data protection laws and ethical standards.

Modern agricultural management demands the integration of digital tools for improved efficiency and transparency. The Board will support the digital transformation of sugarcane farmers' organizations through:

1) ICT Infrastructure Support: Provision or facilitation of access to computers, mobile applications, and connectivity tools.
2) Digital Recordkeeping Systems: Introduction of farmer databases, digital cane tracking, and cloud-based cooperative management systems.
3) Training on Digital Tools: Capacity building in the use of accounting software, communication platforms, and online marketing channels.
4) Mobile-Based Extension Services: Leveraging SMS and mobile apps to deliver agronomic tips, weather updates, and market price alerts directly to farmers.

Digital transformation will promote transparency, enhance coordination, and enable evidence-based decision-making.

CHAPTER EIGHT: MONITORING, EVALUATION AND REPORTING

8.1 Monitoring, Evaluation, and Reporting

The monitoring and evaluation program for sugarcane farmers' organizations to achieve their goals and remain accountable to their members and stakeholders, it is vital to embrace monitoring and evaluation. M&E provides a systematic way to track progress, measure results, and assess whether strategies and resources are yielding the intended impact. By generating evidence on what works, what does not, and why, M&E program will enable sugarcane farmers' organizations to make informed decisions, improve service delivery, and strengthen transparency. Furthermore, integrating learning into everyday practice fosters adaptability, innovation, and resilience qualities that are essential for sustaining growth and competitiveness in the ever-changing sugar industry.

To be effective, M&E of sugarcane farmers' organizations requires a structured plan, strong institutional capacity, reliable data systems, adequate resources, active member participation, and a culture of learning and adaptation. Specifically, the following factors need to be mainstreamed:

1) **A Clear Framework and Strategy**
   a) M&E plan/framework: outlining objectives, indicators, data sources, methods, timelines, and responsibilities.
   b) Results Framework: showing how activities lead to outputs, outcomes, and impact.
   c) Alignment with goals: MEL indicators tied to the organization's strategic plan and members' priorities.
2) **Institutional Capacity**
   a) Dedicated M&E unit/personnel: staff or committee responsible for data collection, analysis, and reporting.
   b) Training and skills development in data management, analysis, and participatory evaluation methods.
   c) Leadership commitment: management and board support for M&E processes and use of findings.
3) **Data and Information Systems**
   a) Standardized indicators and tools for measuring production, finance, governance, and member satisfaction.

b) Digital record-keeping: mobile apps, farmer databases, or simple MIS (Management Information Systems).

c) Data quality protocols: ensuring accuracy, timeliness, and reliability of information.

4) Resources Mobilization and Partnerships

a) Budget allocation: funds specifically for M&E activities (surveys, audits, evaluations).

b) Technical partnerships with government, research institutions, NGOs, and development partners for expertise.

c) Access to technology: mobile platforms, GIS tools, or dashboards for real-time monitoring.

5) Participatory Mechanisms

a) Member involvement: farmers to be engaged in setting indicators, collecting data, and validating findings.

b) Feedback loops: regular sharing of results with members to strengthen accountability and trust.

c) Learning forums: reflection meetings, field days, and peer-to-peer exchanges to promote collective learning.

6) Learning and Adaptation Culture

a) Knowledge management: documenting lessons, best practices, and innovations.

b) Decision-making integration: using M&E findings to refine strategies, policies, and operations.

c) Continuous improvement – treating M&E as a living process, not a one-off exercise.

KENYA SUGAR BOARD

ACCEPTANCE

We the undersigned Executive officers of ……………………….…………… Sugarcane Farmers Organization Limited named herein do hereby accept these terms and conditions for and on behalf of the Sugarcane Farmers organization.

TITLE NAMEI.D NO SIGNATURE

CHAIRMAN………………………………………………………………
VICE CHAIRMAN ………………………………………………..……..
SECRETARY……………………………………………………………..
TREASURER …………………………………………………………….

OFFICIAL CERTIFICATION

I………………………………CERTIFY that the foregoing Existing By-Laws of the ……………………………… Sugarcane Farmers organization Limited have been approved and duly registered.

Given under my hand at Nairobi this ………………… Day of ………… 20…..