

LEGAL NOTICE NO.....
THE SUGAR ACT, 2024
<i>(No.11 of 2024)</i>
DRAFT 1 – THE SUGAR (GENERAL) REGULATIONS, 2025
ARRANGEMENT OF REGULATIONS
<i>Regulation</i>

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LEGAL NOTICE NO.....

THE SUGAR ACT, 2024

(No.11 of 2024)

In exercise of the powers conferred under section 61 of the Sugar Act, 2024 the Cabinet Secretary for the Ministry of Agriculture and Livestock Development in consultation with the County Governments and the Kenya Sugar Board makes the following Regulations-

PART I - PRELIMINARY

Citation.	1. These Regulations may be cited as the Sugar (General) Regulations, 2025.
Interpretation.	2. In these Regulations, unless the context otherwise requires-
	"Act" means the Sugar Act 2024;
No. 11 of 2024	
	association" means a registered group comprised of smallholder sugar crop growers, co-operative societies, sugar crop institutional growers, sugar unions, sugar millers, traders or companies, which have been registered by the Board;
	"Board" means the Kenya Sugar Board established under section 3 of the Act;
	"by-product" means any substance, other than sugar, produced incidentally during the process of manufacturing sugar;
	County Executive Committee Member means the County Executive Member for the time being responsible for matters relating to agriculture in the respective County
	"dealing in sugar crop" includes collecting, transporting, storing, buying or selling sugar crops or products;
	"extraneous matter" means any matter other than sugarcane delivered with and weighed as sugarcane;
	"grower" means a person who produces sugar-cane or any crop in Kenya for the manufacture of sugar;
	"industry" means the sugar industry in Kenya and includes the growing of sugar-cane and any other sugar producing crop, the manufacturing, refining, warehousing, marketing, transportation of sugar and disposal of sugar and its by-products;
	"Institutional grower" means a body corporate that grows sugar crop in a sugar catchment area
	"Independent grower" means a grower who—
	(a) is not a member of any out-grower institution;
	(b) does not depend on the miller for any assistance;
	(c) depends solely on his own resources to develop and supply sugarcane directly to a contracted miller of choice, but strictly within the sugarcane catchment area

“miller” means a person licensed to operate a sugar mill or a jaggery, mill in Kenya for the production of sugar including refined sugar and other by-products;

“out-grower” means a person who has a sugarcane farm in a catchment area and who has in force a cane supply contract in respect of the sugar-cane grown on such farm and registered by the Board;

“Out-grower institution” means a legal entity composed of small-holder growers and registered by the Board;

“refined sugar” means sugar, which complies with the specifications set by the body for the time responsible for setting standards;

“seed cane nursery” means a site where sugar crop varieties are grown under strictly controlled agronomic conditions for eventual establishment of the sugar crop.

"premise" means a building used for aggregating, storing and manufacturing of sugar crop produce or product;

“sugar” means crystalline or liquid sucrose derived from sugar crop in any of its recognized commercial forms, intended for human consumption or other use and includes jaggery, raw, brown, plantation (mill) white and industrial sugar;

“sugar crop” means a crop grown for the purpose of sugar production including sugarcane and sugar beet;

“sugar catchment area” means a geographical area where sugar crop farmers are clustered for purposes of election and cane management;

“Sugar Catchment Area Committee” means a committee comprised of miller and grower representatives in a catchment area;

“sugar industry inspector” means a person appointed as an inspector under Section 35 of the Act;

“sugarcane growers apex body” mean a national organization registered under the Societies Act whose membership shall comprise of mill level registered and contracted farmers’ institutions and groups championing the rights under a cane supply agreement and in the catchment areas listed under the First Schedule of The Act and gazetted as such by the Cabinet Secretary for the time being responsible for Agriculture;

“sugar crop” means a crop grown for the purpose of sugar production including but not limited to sugarcane and sugar beet;

“sugarcane manufacturer’s apex body” means a national body, composed of sugar and jaggery millers registered under the Societies Act, with the main objective being to lobby for the interest of the registered millers; and

“weighbridge” means a site established within a Sugar Catchment Area by approval of the Board in consultation with respective County Government and the Sugarcane Catchment Area Committee for cane collection aggregation and weighing.

Purpose of these Regulations.

3. The purpose of these Regulations is to promote, develop the sugar crops, sugar and by-products and regulate the production, processing and marketing of the sugar crops, sugar and by-products.

Scope of application of these Regulations.

4. These Regulations shall apply to-
- (a) Registration of growers, out-grower institutions and nursery operators
 - (b) Registration and licensing of millers, retailers, importers and exporters
 - (c) Quality and standards of the sugar crops, sugar and by-products
 - (d) Safety and health control measures in production, processing and marketing
 - (e) Sugar industry agreements amongst millers, growers and out-grower institutions
 - (f) Pricing of sugar crops
 - (g) Marketing of sugar crops, sugar and by-products
 - (h) Inspection and compliance audits of nurseries, factories, transportation vessels, storage and warehousing facilities

PART II-REGISTRATION AND LICENSING

Application for authority to establish a sugar mill.

5. (1) A person who intends to set up a sugar mill shall make an application to the Board for registration in Form KSB/01 set out in the First Schedule.

(2) The following documents shall be attached to the application —

- (a) Sugar Crop Development plan for the intended mill capacity
- (b) Feasibility Study Report
- (c) Mill Design
- (d) Certificate of Incorporation or Registration
- (e) Long term progressive plan on value addition.
- (f) Evidence of land ownership for the project
- (g) Environmental Impact Assessment license

(3) Upon receipt of the application the Board shall within sixty (60) days -

- (a) Undertake a physical evaluation of the project site and the source of raw materials
- (b) Undertake an assessment of the documents attached to the application
- (c) Seek concurrence from the respective County Government
- (4) The Board shall issue to successful applicants a Registration Certificate in Form KSB/01A set out in the First Schedule
- (5) If the Board declines any application, it shall notify the applicant of the decision and specify the reasons

Registration of growers

6. (1) A person shall not grow sugar crop unless registered with a miller.
- (2) A miller shall maintain a register of:
- (a) growers with whom the miller has entered into an agreement for the farming or supply of sugar crop.
 - (b) growers as declared by the out-grower institutions to the millers under the agreement entered into in accordance to section 58 of the Act.
- (3) The registration of a grower with a miller shall be valid:
- (a) For a grower registered under Paragraph (2) (a) for the period of the contract entered into with the miller.
 - (b) For a grower registered under Paragraph (2) (b) for a period of the contract entered into with the out-grower institution.
- (4) All millers shall submit to the Board, annual returns of the registers maintained under this regulation within thirty (30) days after the end of every year or upon request by the Board with particulars of the geo-location, land registration number, soil type, identity number, contract numbers, acreage, varieties, crop cycles and yield of sugar crop per acreage of all the growers.
- (5) A person who contravenes the provisions of this section commits an offence and shall be liable upon conviction to a fine not less than one (1) million shillings or to imprisonment for a term not less than one (1) year or to both.

Licensing of Millers

7. (1) A registered miller shall apply to the Board for a mill operating license in Form KSB/02 set out in the First Schedule.
- (2) After the application is made the Board shall within fourteen (14) days verify the documents and evaluate the premises.
- (3) Upon verification of the documents and evaluation of premises under paragraph (2) the Board shall
- (a) If approved, forward the application to the respective County Executive Committee Member, or;
 - (b) If rejected, notify the applicant of the rejection of the application
- (4) Within thirty (30) days of receipt of the request under paragraph (3)(a) the County Executive Committee Member shall:
- (a) Recommend to the Board that the applicant be issued with a mill operating license, or
 - (b) Recommend to the Board that the applicant should not be issued with a license and specify the reasons for the decision
- (5) The Board shall issue a mill operating license in Form KSB/02A subject to the conditions specified therein within seven (7) days upon receipt of the recommendation under paragraph 4 (a)
- (6) Within thirty (30) days upon receipt of the recommendation in paragraph 4(b) the Board shall consider the reasons for the recommendation and may

	(a) Issue the applicant with a mill operating license in Form KSB/02A subject to the conditions specified therein, or
	(b) Notify the applicant of the rejection of the application
Change of Milling Capacity	8. (1) A miller who intends to change their milling capacity shall apply to the Board for an amendment to their mill operating license in Form KSB/03 set out in the First Schedule.
	(2) A miller who changes the milling capacity without an approval from the Board commits an offence and shall be liable, on conviction, to the penalty prescribed under section 59 of the Act.
Exemption from sugar catchment area	9.(1) A grower who intends to supply sugar crop outside the catchment area shall notify the Board through Form KSB/04 and provide Justification for the intention to supply the sugar crop outside the respective catchment area
	(2) Upon receipt of the notification in paragraph (1) the Board shall consider the request and make a determination within thirty (30) days and notify the grower of the decision
Returns and Registers maintained by millers	10. (1) A miller shall submit the following returns to the Board;
	(a) Monthly factory performance submitted by the tenth day after the end of the month to which it relates
	(b) Daily Sugar Production, Ex-Factory Prices, Sales and Stocks submitted by the close of business on the day following to which it relates
	(c) Monthly molasses Production, Ex-Factory Prices, Sales and Stocks submitted by the tenth day after the end of the month to which it relates
	(d) Monthly Agriculture Data submitted by the tenth day after the end of the month to which it relates
	(2) The returns in paragraph (1) (a),(b),(c) and (d) shall be submitted in Form KSB/10 as set out in the Third Schedule.
Revocation of certificate or license	11. (1) The Board may revoke the registration certificate or license issued under these regulations if:
	(a) The Board determines that the holder made a false declaration in the application for the certificate or license
	(b) The Board determines that the holder breached the condition of the registration certificate or license, or
	(c) The holder has been deregistered under the Companies Act, Societies Act, Registration of Business Names Act or the Cooperative Societies Act
	(2) The Board shall issue a notice of the intention to revoke a registration certificate, license or permit in Form KSB/05 as set out in the First Schedule and give the holder fourteen (14) days to respond to the reasons for the proposed revocation.
	(3) Where the Board receives a response to the notice issued under paragraph (2) the Board shall within fourteen (14) days
	(a) Notify the holder of the rescinding of the intention to revoke certificate or license
	(b) Notify the holder of the revocation of the certificate or license specifying the reasons
	(4) Where the Board does not receive a response for the notice issued under paragraph (2) the Board shall as at the last day when the response was to be made revoke the certificate or license.

PART III – QUALITY, SAFETY AND HEALTH CONTROL MEASURES

Sugar crop nurseries

- 12. (1) A person shall not operate a sugar crop nursery unless the person is registered by the respective County Executive Committee Member.
- (2) A person who intends to operate a sugar crop nursery shall apply to the respective County Executive Committee Member in Form CG/01
- (3) Within fourteen (14) days after the application in paragraph (1) is made the County Executive Committee Member shall inspect the site and:
 - (a) if satisfied that the site is suitable for establishment of a nursery shall issue a certificate of registration in Form CG/01A, or
 - (b) Notify the applicant of the rejection of the application and specify the reasons.
- (4) The certificate issued under paragraph (3) (a) shall be valid for one (1) year form the date of issue
- (5) A person who intends to renew the certificate of registration as a sugar crop nursery shall apply in Form CG/01
- (6) Within fourteen (14) days after the application in paragraph (5) is made the County Executive Committee Member shall inspect the site and:
 - (a) if satisfied that the site is suitable for establishment of a nursery shall issue a certificate of registration in Form CG/01A, or
 - (b) Notify the applicant of the rejection of the application and specify the reasons.
- (7) All sugar crop nurseries operators shall submit to the County Executive Committee Member, annual returns in Form CG/02 within thirty (30) days after the end of every year or upon request by the County Executive Committee Member.

Obligation of growers

- 13. (1) Every grower shall adhere to the Sugar Industry Code of Practice: Primary Production (KS 2977-1:2023) in the cultivation of sugar crop and the Sugar Industry Code of practice: Trade and Environmental and socio-economic sustainability (KS 2977-3:2023).
- (2) A grower who does not comply with paragraph (1) commits an offence and is liable on conviction to a fine not exceeding one (1) million shillings or to imprisonment for a term not exceeding six (6) months

Obligations of millers

- 14. (1) Every miller shall adhere to the Sugar Industry Code of Practice: Cane Harvesting, Processing (KS 2977-2:2023) and the Sugar Industry Code of practice Trade and Environmental and socio-economic sustainability (KS 2977-3:2023) in the manufacture of sugar
- (2) A miller who does not comply with the provision of paragraph (1) commits an offence.

PART IV – SUGAR INDUSTRY AGREEMENTS

General Provisions for Sugar Industry Agreements

- 15. (1) An agreement entered into between miller and a grower shall be in a manner as specified in Form KSB/06 specified in the Second Schedule.
- (2) An agreement entered into between miller and an out-grower institution shall be in a manner as specified in Form KSB/07 specified in the Second Schedule.
- (3) An agreement entered into between grower and an out-grower institution shall be in a manner as specified in Form KSB/08 specified in the Second Schedule

Inter-miller agreements

- 16. An agreement between millers shall be in a manner specified in Form KSB/09 set out in the Second Schedule

PART V – TRADE AND MARKETING

Establishment and regulation of weigh bridges and collection centers

17. (1) A person shall not establish or operate a weighbridge without a license issued by the respective County Government.

(2) Upon application by a miller, the respective County Government in consultation with the Board shall designate a site for the establishment of a weighbridge within a sugarcane catchment area.

(3) Weighing equipment should be calibrated and maintained in accordance with the Weights and Measures Act Cap. 513.

(4) Weight readings shall be directly documented and feedback given to the grower within twenty-four (24) hours

(5) Sugar cane off-loading in the yard shall be safely done on the basis of First In, First Out (FIFO) received

(6) Cane weighment shall be done at designated and approved weighbridges.

(7) Weighment records shall be maintained by the miller and the grower.

Payments to the growers

18. A miller shall pay sugar crop growers within the period specified in the agreements

Traceability of sugar and by-products

19. (1) Every miller and retailer shall supply sugar and sugar by-products to the domestic market in food grade packaging material that will safeguard the hygienic, nutritional, technological, and organoleptic qualities of the product.

(2) A person shall repackage sugar and sugar by-products in food grade packaging material that will safeguard the hygienic, nutritional, technological, and organoleptic qualities of the product.

(3) Every miller and retailer shall indicate the following particulars on the packaged or repackaged sugar and sugar by-products supplied to the domestic market

a) name of the product

b) list of ingredients in descending order of proportion

c) List of allergens, where applicable

d) net content

e) name and physical address of manufacturer

f) the date of manufacture in code or in clear

g) expiry date, use-by or best before date

h) Batch or lot number

i) instructions for storage and use, where applicable

j) the country of origin where applicable

k) Genetically Modified Organism declaration, where applicable

PART VI – INSPECTION AND COMPLIANCE

Appointment of
sugar industry
inspectors

20. (1) A person qualifies to be appointed as a sugar industry inspector if that person:

(a) is a Kenyan citizen;

(b) satisfies the requirements of Chapter Six (6) of the Constitution;

(c) holds either-

i. a diploma in agriculture, business, sciences, technology, transport and logistics, engineering or any other related field from an institution recognized in Kenya and a minimum of two (2) years' relevant experience; or

ii. a bachelor's degree in agriculture, business, sciences, technology, transport and logistics, engineering or any other related field from a university recognized in Kenya and a minimum of one (1) year relevant experience; and

Notices issued
for non-
compliance

21. Upon conducting an inspection and where the inspector determines that a person does not comply with these regulations and the non-compliance may be remedied the inspector shall issue a notice, in Form KSB/10 as set out in the First Schedule setting out the corrective measures to be taken to ensure compliance with these regulations

PART VII – MISCELLANEOUS PROVISIONS

Imposition of fees

22. A person who applies for services rendered under these regulations shall pay fees set out in the Fourth Schedule

Transitional
provision

23. Certificates, licenses and permits validly in force before the coming into operation of these Regulations shall remain valid until their expiry, the holder shall acquire any subsequent certificate, license and permit in accordance with these Regulations.

FIRST SCHEDULE
FORMS, CERTIFICATES, LICENSES AND PERMITS

FORM KSB/01

(r. 5(1))



APPLICATION FOR REGISTRATION OF A MILL

**To
The Chief Executive Officer
Kenya Sugar Board**

1. I/We.....(Director/directors of /agent of(Name of business enterprise) apply for registration for..... (Name of sugar project).

2. The location of registered office of the sugar crop mill will be situated at.....

3. The location of the proposed mill:

Name of the applicant

Physical address..... land reference number

Postal address.....

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

Ward..... Village.....

Tel:..... E-mail

4. Copies of the following documents are attached to this application —

- a. Recommendation from the respective County Government
- b. Sugar Crop Development Plan

- c. Feasibility Study Report
- d. Financial Reports
- e. Mill Design and Technology
- f. Milling Capacity
- g. Certificate of Incorporation/Registration
- h. Details of ownership
- i. Long term progressive plan on value addition
- j. Profiles of the investor(s), directors and principal officers
- k. Memorandum and Articles of Association
- l. Evidence of land ownership for the project

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I..... of Post Office Box Number do solemnly and sincerely declare that I am a Director/duly authorized agent of.....**AND** that all the requirements of the Sugar Act, 2024 in respect of matters precedent to the registration of this sugar project and the business enterprise under other Acts and incidental thereto have been complied with, **AND** I make this solemn declaration conscientiously believing the same to be true.

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Declared at }

..... }

Theday of 20.... } **Applicant**

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APPLICATION SUMMARY (for official use only)

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Company Name:

Certificate of Incorporation (COI) Number:

Status:

Post Office Box Number: Town:

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Investment Financing Plan in Million US\$/Kshs:

Foreign Equity	Local Equity	Foreign Loan	Local Loan
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Project Objectives:

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Capacity:(TCD)

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Implementation Period:

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Estimated life of project:		
Project Location		
Site/Plot/Block No.:		
Village: Sub-County: County:		
(Attach sketch map showing project location)		
Directors	Nationality	Contact
.....
.....
.....
.....
Investment Breakdown	US\$/Kshs.M	
Pre-expenses	
Land/Buildings	
Plant and equipment	
Vehicles	
Furniture & Fittings	
Working Capital	
Others	
TOTAL	
Contact Details:		
Name:	Title:	
Telephone:.....	Mobile Number:	
Email:		
Recommended..... Or Not Recommended.....		

FORM KSB/01A

(r. 5(4))



REGISTRATION CERTIFICATE

This is to certify that
is registered to set up a Sugar Mill of(TCD) at L.R.
NO. inSugar Crop Catchment Area

Date:

.....
Chief Executive Officer

Kenya Sugar Board

FORM KSB/02

(r. 7(1))



APPLICATION FOR A MILL OPERATING LICENSE

Name of the applicant

Physical address..... Land Reference Number

Postal address.....

County..... Sub County..... Ward..... Village.....

Tel: Mobile Number : E-mail

County Government Single Business Permit Number

I hereby apply for a mill operating license

Name(s) of owners/ shareholders

Names of directors of the company and their profiles—

a. Director.....

b. Director.....

c. Director.....

Legal status of the company (public company, co-operative society, partnerships/private firm)

Kenya Sugar Board Registration Certificate Number.....

Source of water source of electricity

The types, quantity and quality of products and by-products to be manufactured. (The quality must meet the Kenya standards specifications)

a.

b.

c.

d.

e.

The type of technology used in manufacturing process of the products specified in sub paragraph (14) shall be adequately illustrated by:

a. flow diagrams of the process (attach)

A brief description of the manufacturing process and production plan indicating the operational parameters of the factory and qualities of the end products is herewith attached.

Profile of all key personnel proposed for the mill in the management and technical areas, numbers of permanent and casual employees:

a. number of key personnel(attach personnel profiles);

b. number of the permanent employees.....;

c. number of casual employees

Source and availability of sugar crop:

a. Sugar cane catchment area.....geographical area(s)

b. Nucleus estate acreage projected yield

c. Area of available contracted cane in 12 months projected yield

d. Total available area from (b) and (c) and total projected tonnage of cane per year

e. Daily capacity of the mill in tonnes; and total capacity of weighbridge(s).....

Economic and technical viability parameters including the following (renewal)

a. The yield per tonne of sugarcane (TC:TS).....

b. Renderment for the last three years.....

c. Production cost(s) per tonne of sugar.....

d. Gross profit/loss in the last three years.....

e. Projected costs per per tonne of sugar or the next twelve months.....

f. Gross profit/loss in the last three years.....

I hereby declare that all the statements and supporting materials are complete and true;

Signed by applicant

Director/Principal Officer

Name Signature Stamp.....

Date

Note:
All information regarding this application shall be treated as confidential but the Board reserves the right to share the information with other approving agencies of the Kenya Government to the extent required by law or by the policy of the Government.

FORM KSB/02A

(r. 7(5))



MILL OPERATING LICENSE

License number:

County:

Name of Licensee:

Sugar Mill of:.....TCD at LR.No.....

THIS LICENCE is hereby given to the above mentioned to manufacture sugar and the by-products of sugar at the sugar mill specified in this license.

THIS LICENSE shall, unless earlier suspended/revoked, expire on the thirtieth of June immediately following the date of issue but shall be subject to conditions imposed by the Board.

Date of issue.....

.....

Chief Executive Officer

Kenya Sugar Board

FORM KSB/03

(r. 8(1))



APPLICATION FOR CHANGE OF MILLING CAPACITY

Name of the applicant

Physical address..... Land Reference Number

Postal address.....

County..... Sub County..... Ward..... Village.....

Tel: Mobile Number : E-mail

County Government Single Business Permit Number

I hereby apply for change of milling capacity from.....TCD to.....TCD

Reasons for change of milling capacity

1.....

2.....

3.....

Name(s) of owners/ shareholders

Names of directors of the company and their profiles—

d. Director.....

e. Director.....

f. Director.....

Legal status of the company (public company, co-operative society, partnerships/private firm)

Kenya Sugar Board Registration Certificate Number.....

Source of water source of electricity

The types, quantity and quality of products and by-products to be manufactured. (The quality must meet the Kenya standards specifications)

f.

g.

h.

i.

j.

The type of technology used in manufacturing process of the products specified in sub paragraph (14) shall be adequately illustrated by:

b. flow diagrams of the process (attach)

A brief description of the manufacturing process and production plan indicating the operational parameters of the factory and qualities of the end products is herewith attached.

Profile of all key personnel proposed for the mill in the management and technical areas, numbers of permanent and casual employees:

d. number of key personnel(attach personnel profiles);

e. number of the permanent employees.....;

f. number of casual employees;

Source and availability of sugar crop:

f. Sugar cane catchment area.....geographical area(s);

g. Nucleus estate acreage projected yield;

h. Area of available contracted cane in 12 months projected yield;

i. Total available area from (b) and (c) and total projected tonnage of cane per year;

j. Daily capacity of the mill in tonnes; and total capacity of weighbridge(s).....

Economic and technical viability parameters including the following (renewal)

g. The yield per tonne of sugarcane (TC:TS).....

h. Renderment for the last three years.....

i. Production cost(s) per tonne of sugar.....

j. Gross profit/loss in the last three years.....

k. Projected costs per per tonne of sugar or the next twelve months.....

l. Gross profit/loss in the last three years.....

I hereby declare that all the statements and supporting materials are complete and true;

Signed by applicant

Director/Principal Officer

Name Signature Stamp.....
Date
Note:
All information regarding this application shall be treated as confidential but the Board reserves the right to share the information with other approving agencies of the Kenya Government to the extent required by law or by the policy of the Government.

FORM KSB/04

(r. 9(1))



NOTIFICATION FOR EXEMPTION FROM A CATCHMENT AREA

Name of the applicant

Physical address..... Land Reference Number

Postal address.....

Catchment area.....

County..... Ward..... Village.....

Tel: Mobile Number : E-mail

I hereby apply for exemption fromcatchment area

To.....catchment area

Receiving mill.....Receiving weighbridge.....

Reasons for exemption:

1.....

2.....

3.....

Approximate tonnage.....

Intended period of exemption:

From (Date).....

To (Date)

I hereby declare that all the statements and supporting materials are complete and true;

Signed by applicant

Name Signature Stamp.....

Date

Note:

Attach:	
	(a) Sugar crop supply agreements before the commencement of the Act
	(b) Sufficient proof of not being indebted to millers within the sugarcane catchment area

FORM CG/01

(r. 12(2)(5))

THE SUGAR (GENERAL) REGULATIONS, 2025

**THE COUNTY GOVERNMENT OF..... (insert name of respective
County Government)**

(Insert Coat of Arms of respective County Government)

**APPLICATION FOR REGISTRATION/RENEWAL OF SUGAR CROP
NURSERY**

A. Applicant's Information

1. Name of Applicant:
.....

2. Postal Address
.....

3. Email.....
.....

4. Telephone:
.....

Nursery Information

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

2. Sub County:

3. County:

4. L. R. No/Plot No

B. Requirements

The registration requirements for a commercial nursery shall be as follows:

1. Copy of the applicant's national identity card if the applicant is an individual.

2. Where the applicant is a company or growers' entity, provide a copy of incorporation/registration certificate.

Name of applicant.....

Signed: Date: Official
Stamp.....

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C. FOR OFFICIAL USE Approved by:

Name

Signature.....

--

Date.....

--

Recommended/Not recommended

--

Comments.....

...

.....

...

--

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Official Stamp

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For: County Government

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FORM CG/01A

<i>(r. 12(3)(5))</i>

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THE SUGAR (GENERAL) REGULATIONS, 2025
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THE COUNTY GOVERNMENT OF..... (insert name of respective County Government)
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<i>(Insert Coat of Arms of respective County Government)</i> SUGAR CROP NURSERY CERTIFICATE
--

License Number.

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This CERTIFICATE is issued to <i>(company/name of person)</i>of

P. O. Box and permits the holder to operate a sugar crop nursery at L.R. No.(s)..... subject to the following conditions:

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- | |
|--|
| 1. The type of seedlings to be raised must be approved by Kenya Plant Health Inspectorate Service. |
| 2. Phytosanitary aspects must be observed to ensure clean, healthy planting material. |
| 3. The County may revoke, vary or suspend commercial sugar crop nursery certificate if a condition of licensing has been contravened or not complied with. |

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Signature and Stamp..... Date
--

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For: County Government

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<i>(This license is not transferable.)</i>
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FORM CG/02

(r. 12(7))

THE SUGAR (GENERAL) REGULATIONS, 2025

**THE COUNTY GOVERNMENT OF..... (insert name of respective
County Government)**

(Insert Coat of Arms of respective County Government)

SUGAR CROP NUSERY OPERATOR RETURNS

A. Operator details:

1. Full name of Applicant
.....
2. Tel. No..... Mobile No.
3. E-mail Website.....
4. Postal Address.....
5. Physical Address.....
6. Sub County.....
County.....
7. Catchment Area.....
8. County Certificate Registration No.....

B. Details of the Nursery

1. LR. No.....
2. Surface area (Ha).....
3. Variety.....
4. Yield (Tonnage).....
5. Distribution areas (Name and Tonnage)

- a.
- b.
- c.
- d.
- e.
- f.

C. Declaration:

I/We hereby declare that information provided above are true to the best of my/our knowledge

Name: Signature

Date:

Office Stamp

Received by.....

Designation.....

County Government Official Stamp.....

SECOND SCHEDULE
SUGAR INDUSTRY AGREEMENTS

FORM KSB/06

(r. 15 (1))



AGREEMENT BETWEEN A MILLER AND A GROWER

This **AGREEMENT** is made the..... (day) of(month) two thousand and**BETWEEN** (names in full) of P. O. Box (referred to as the “grower” which expression shall, where the context so admits include its successors and assignees) and is situated in Village Sub-County..... Sugar Catchment Area **AND** (name in full) of P.O. Box..... (Town/City) (referred to as the “miller” which expression shall, where the context so admits include its successors and assignees) who was incorporated/registered in the Republic of Kenya and having its registered office at in the Republic of Kenya.

- a. **WHEREAS** the grower wishes to contract the supply of cane with a miller:
- b. **WHEREAS** the miller is willing to purchase cane from the grower

NOW IT IS AGREED BETWEEN THE PARTIES AS FOLLOWS:

TERMS OF AGREEMENT

1. The term of this agreement shall commence on the date it is signed and shall, unless sooner determined under the provisions hereof, continue until the grower has supplied one plant and two ratoon crops, which is a period of up to twenty four months for plant crop and up to twenty two months for each ratoon crop provided that for early maturing varieties, the crop may be harvested earlier as appropriate, and that by mutual consent the said term maybe extended to include the harvesting of one or more ratoon crops as long as the crops meet agreed quality standards, with or without modifications of the terms and conditions herein contained, by a memorandum of extension endorsed hereon not less than three months before the date of the anticipated commencement of harvesting of what would otherwise have been the last ratoon crop under the contract.
2. Sugar crop transportation shall be done within 24 hours after harvesting; and stacked secured to avoid spillage. The miller and cane transporters shall always ensure a prompt turn round time; and transport costs shall be charged based on the weight of delivered sugar crop at established zonal rates.
3. Sugarcane shall be weighed at a weighbridge approved by the respective County Government in consultation with the Board. The weighbridge shall be serviced, inspected, calibrated and stamped by the Weights and Measures department in accordance with the Weights and Measures Act, Cap. 513.

4. The sugarcane price payable shall be the price derived through the payment formula determined by the Sugarcane Pricing Committee within fourteen days (14) after supply of the sugar crop.

5. The parties to this agreement shall always undertake to conduct their business above board with the aim of ensuring integrity, transparency and accountability.

OBLIGATIONS OF THE GROWER

6. The grower shall harvest and deliver the sugarcane within the stipulated timelines in this agreement.

OBLIGATIONS OF THE MILLER

7. The miller shall accept all sugar crop of requisite quality harvested from the area specified in this supply contract and the requisite quality of sugar crop shall be as specified by the Board in respect of the sugarcane variety(s) _____ - whose harvest-to-mill time for green sugarcane shall ideally not exceed seventy-two (72) hours, and in case of accidentally burnt sugar crop harvest-to-mill time shall ideally not exceed forty-eight (48) hours.

8. The miller shall notify the grower in advance of any planned closure of the mill for any reason. The miller shall advise the grower of any change in planned activities as soon as the need for such change becomes apparent and he shall issue notices to stop further harvesting of sugarcane in the event of mill breakdowns.

9. The lead time in harvesting sugarcane shall not be more than twenty-four (24) hours and sugarcane harvested within the lead time shall be under responsibility of the miller, who may arrange to offer the sugarcane to another miller through an Inter-Miller Agreement, or bear the losses.

10. The miller may reject any sugarcane found not to be of the requisite quality.

11. The miller shall pay the grower within fourteen days of sugarcane delivery provided that the sugarcane will be harvested according to the recommended harvesting ages for various varieties.

12. If a miller fails to pay the grower as specified by these Regulations, the miller shall be liable to pay interest charges at market rates and a penalty of 1.5% per month on the outstanding grower loan accounts of the affected growers up to the time it completes payment.

13. Within seven days after delivery of the sugar crop, a miller shall issue a grower with a payment statement that shows the quantity of sugarcane delivered, the price and agreed deductions.

14. The miller shall maintain and develop adequate milling capacity for sugarcane planted based on agreed planting plans with the grower and further strive to mill sugarcane efficiently in compliance to sugar industry standards and code of practice.

15. The miller shall off-load sugarcane quickly and efficiently by applying the principle of first-in-first-out and no sugarcane shall be stored in the yard for more than 12 hours from mill-time.

COSTS AND RECOVERY

16. The charges for all goods and services to be provided by either party shall remain as listed in the agreement.

TERMINATION OF CONTRACT

- 17. The grower shall not assign any interest therein or any of his rights or obligations under the agreement without the written consent of the miller.
- 18. Where the miller offers services at the wrong time, the grower shall have the option of arranging for alternative services upon notice to the miller.
- 19. Where the sugar mill ceases to exist, the grower may deliver the sugarcane to another party without the approval of the miller.
- 20. If any party decides to discontinue or terminate the relationship with the other party, he shall give a three months' notice of his intention to do so and shall pay all his dues before such termination of the contract, which shall be without prejudice to all rights accrued and obligations incurred to or by either party prior to the date of termination and shall not prejudice claim for damages for such breach of contract.

FORCE MAJEURE

- 21. Neither the grower nor the miller shall be obliged to perform their respective obligations under this agreement if and to the extent that they or either one of them may be hindered or prevented from so doing directly or indirectly by an event of force majeure.
- 22. The affected party shall report any event of force majeure within seven (7) days from the date of its occurrence and the competent authorities of both parties shall certify the said event.
- 23. The obligations of the parties under the specified agreement shall remain suspended for the period during which the said event of force majeure persists.

DISPUTES

- 24. Any question or dispute as to the responsibility to fulfil the terms of this agreement shall be resolved in accordance with the provisions of the Act.

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

SIGNED for or on behalf of the miller:

In presence of:

SIGNED for or behalf of the grower:

In presence of:

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

Date:

Kenya Sugar Board

FORM KSB/07

(r. 15 (2))



AGREEMENT BETWEEN AN OUT-GROWER INSTITUTION AND A MILLER

This **AGREEMENT** is made the..... (day) of(month) two thousand and**BETWEEN** (names in full) of Certificate of Registration/Business Registration No. of P. O. Box (referred to as the “out-grower institution”, which expression shall, where the context so admits include its successors and assignees) and is situated in Village Sub-County..... Sugar Catchment Area **AND** (name in full) of P.O. Box..... (Town/City) (referred to as the “miller” which expression shall, where the context so admits include its successors and assignees) who was incorporated/registered in the Republic of Kenya and having its registered office at in the Republic of Kenya.

a. **WHEREAS** the Out-grower institution wishes to contract sugarcane farming with Out-grower members in pursuit of its functions and generally:

- i. promote and represent the interests of its grower members;
- ii. organize its members’ farms within a catchment area into viable economic units to enable its farmers pool resources for bulk procurement of farm inputs, services and machinery;
- iii. **ensure that its members comply with their contractual obligations;**
- iv. negotiate the terms of supply of sugar crop to the miller and the co-ordination of the production, harvesting and transportation thereof;
- v. provide financial credit or arrange for financing of growers in the production of their sugar crop, including land clearing and preparation, planting, cultivation and tending, harvesting, transportation and the supply of goods and services relating thereto;
- vi. provide or procure services, advice and assistance for grower members as may be required, to carry out or procure the carrying out of such operations for grower members;
- vii. provide or procure accounting services and record keeping services for members in respect of their individual operations; and;
- viii. purchase, sell or otherwise deal in, securing or providing such goods, materials, supplies and services as may be required by its members.
- ix. maintain a register of its members and the growers with whom it has entered into agreement for sugar crop farming and supply, with particulars of the location, land registration number, soil type, identity number, contract numbers, sugarcane harvesters, transporters, acreage, varieties, crop cycles and yield of sugar crop per acreage of all the growers.

- b. **WHEREAS** the out-grower institution has entered into sugarcane supply contract with the miller in respect of sugarcane grown by the Out-grower members of the out-growers' institution.
- c. **WHEREAS** the out-grower members are willing to grow sugar crop with the assistance of the out-grower institution under specific agreements signed between Out-grower members and the out-grower institution; and
- d. **WHEREAS** the miller is willing to buy all sugar crop of requisite quality from the Out-grower institution specified in this agreement.

NOW IT IS AGREED BETWEEN THE PARTIES AS FOLLOWS:

TERMS OF AGREEMENT

1. The term of this agreement shall commence on the date it is signed and shall, unless sooner determined under the provisions hereof, continue until the Out-grower institution has supplied one plant and two ratoon crops, which is a period of up to twenty four months for plant crop and up to twenty two months for each ratoon crop provided that for early maturing varieties, the crop may be harvested earlier as appropriate, and that by mutual consent the said term maybe extended to include the harvesting of one or more ratoon crops as long as the crops meet agreed quality standards, with or without modifications of the terms and conditions herein contained, by a memorandum of extension endorsed hereon not less than three months before the date of the anticipated commencement of harvesting of what would otherwise have been the last ratoon crop under the contract.

2. The out-grower institution or a contracted harvester, transporter may harvest, transport and weigh sugar crop respectively, on behalf of the out-grower institution, the miller or within the terms and conditions agreed between the miller and out-grower institution.

3. Sugar crop transportation shall be done within 24 hours after harvesting; and stacked secured to avoid spillage. The miller and cane transporters shall always ensure a prompt turn round time; and transport costs shall be charged based on the weight of delivered sugar crop at established zonal rates.

4. Other responsible parties shall maintain sugar crop transport roads to allow transport units to efficiently carry sugar crop.

5. The sugar crop transporter shall be included in the harvesting program indicating specific obligations and area of operation and shall be held responsible, by either party, for sugar crop spillage during transportation.

6. Sugarcane shall be weighed at the milling factory under the supervision of the Sugarcane Testing Unit Expert who shall manage all sugarcane weighbridges.

7. Sugarcane shall be weighed at a weighbridge approved by the respective County Governments in consultation with the Board. The weighbridge shall be serviced, inspected, calibrated and stamped by the Weights and Measures department in accordance with the Weights and Measures Act, Cap. 513.

8. The sugarcane price payable by any party shall be the price derived through the payment formula determined by the Sugarcane Pricing Committee.

9. The parties to this agreement shall always undertake to conduct their business above board with the aim of ensuring integrity, transparency and accountability.

OBLIGATIONS OF THE OUT-GROWER INSTITUTION

10. The out-grower institution shall maintain a register in accordance to provisions of Part (a) ix above.

11. The out-grower institution shall submit a copy of the register maintained in accordance with Part (a) ix above to the miller.

12. The out-grower institution shall, before the start of each financial year, prepare a cultivation and planting program and share it with the miller. The program shall include in respect of each grower: plot number(s) acreage and estimated yield; and the area under sugarcane by crop cycle, age and variety.

OBLIGATIONS OF THE MILLER

13. The miller shall accept all sugar crop of requisite quality harvested from the area specified in this supply contract in accordance with the program provided for herein and the requisite quality of sugar crop shall be as specified by the Board in respect of the sugarcane variety(s) _____ - whose harvest-to-mill time for green sugarcane shall ideally not exceed seventy-two (72) hours, and in case of accidentally burnt sugar crop harvest-to-mill time shall ideally not exceed forty-eight (48) hours.

14. The miller shall notify the out-grower institution in advance of any planned closure of the mill for any reason. The miller shall advise the out-grower institution of any change in planned activities as soon as the need for such change becomes apparent and he shall issue notices to stop further harvesting of sugarcane in the event of mill breakdowns.

15. The lead time in harvesting sugarcane shall not be more than twenty-four (24) hours and sugarcane harvested within the lead time shall be under responsibility of the miller, who may arrange to offer the sugarcane to another miller through an Inter-Miller Agreement, or bear the losses.

16. The miller may reject any sugarcane found not to be of the requisite quality.

17. The miller shall pay the out-grower institution within fourteen days of sugarcane delivery provided that the sugarcane will be harvested according to the recommended harvesting ages for various varieties.

18. If a miller fails to pay the out-grower institution as specified by these Regulations and Schedule, the miller shall be liable to pay interest charges at market rates and a penalty of 1.5% per month on the outstanding grower loan accounts of the affected growers up to the time it completes payment.

19. Within seven days after delivery of the sugar crop, a miller shall issue an out-grower institution a payment statement that shows the quantity of sugarcane delivered, the price and agreed deductions.

20. The miller shall maintain and develop adequate milling capacity for sugarcane planted based on agreed planting plans with the growers and further strive to mill sugarcane efficiently in compliance to sugar industry standards and code of practice.

21. The miller shall off-load sugarcane quickly and efficiently by applying the principle of first-in-first-out and no sugarcane shall be stored in the yard for more than 12 hours from mill-time.

SUGARCANE HARVESTING, TRANSPORT, WEIGHING AND SELLING

22. The out-grower institution shall decide to harvest, transport and weigh all such sugarcane as is derived from its out-grower members' contracted sugarcane plots and no other for use either as seed cane or mill cane.

23. The out-grower institution shall not sell its members sugarcane nor dispose of it or any interest therein to any other parties, other than through this agreement, without the written permission of the miller as may be provided for in an Inter-Miller Agreement.

COSTS AND RECOVERY

24. The charges for all goods and services to be provided by either party shall remain as listed in the agreement.

25. The out-grower institution shall bear, on behalf of the out-grower members all direct and indirect costs of the works, goods and services supplied by the miller or other parties as specified in their agreements and unless the same are paid earlier allow such costs to be deducted from payment for sugarcane supplied by the out-grower member provided indirect costs, shall have been discussed and agreed at the time of the contract.

OUT-GROWER INSTITUTION REPRESENTATIVES

26. The out-grower institution shall appoint a representative to engage the miller in all matters of advocacy for sugarcane development, financing of sugarcane supply, costs of farm inputs and related services.

27. The out-grower institution may send an authorized representative or its employee to the buying point to witness the condition of the sugarcane at the time of delivery and to obtain a ticket showing the weight or value of the sugarcane delivered.

TERMINATION OF CONTRACT

28. The out-grower institution shall not assign any interest therein or any of his rights or obligations under the agreement without the written consent of the miller.

29. Where the miller offers services at the wrong time, the out-grower institution shall have the option of arranging for alternative services upon notice to the miller.

30. Where the sugar mill ceases to exist, the out-grower institution may deliver the sugarcane to another party without the approval of the miller.

31. Where the out-grower institution ceases to exist, the miller may harvest, transport and mill the sugarcane upon approval by the Board without further reference to the out-grower institution.

32. If any party decides to discontinue or terminate the relationship with the other party, he shall give a three months' notice of his intention to do so and shall pay all his dues before such termination of the contract, which shall be without prejudice to all rights accrued and obligations incurred to or by either party prior to the date of termination and shall not prejudice claim for damages for such breach of contract.

FORCE MAJEURE

33. Neither the out-grower institution nor the miller shall be obliged to perform their respective obligations under this agreement if and to the extent that they or either one of them may be hindered or prevented from so doing directly or indirectly by an event of force majeure.

34. The affected party shall report any event of force majeure within seven (7) days from the date of its occurrence and the competent authorities of both parties shall certify the said event.

35. The obligations of the parties under the specified agreement shall remain suspended for the period during which the said event of force majeure persists.

DISPUTES

36. Any question or dispute as to the responsibility to fulfil the terms of this agreement shall be resolved in accordance with the provisions of the Act.

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

SIGNED for or on behalf of the miller:

In presence of:

SIGNED for or on behalf of the grower:

In presence of:

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

Date:

Kenya Sugar Board

FORM KSB/08

(r. 15(3))



AGREEMENT BETWEEN AN OUT-GROWER INSTITUTION AND A GROWER

This **AGREEMENT** is made the..... (day) of (month) two thousand and **BETWEEN**..... (names in full) of Certificate of Registration/Business Registration No. of P. O. Box (referred to as the “out-grower institution”, which expression shall, where the context so admits include its successors and assignees) and is situated inVillageSub-County.....Sugar Catchment Area **AND** (name in full) of P.O. Box..... (Town/City) (referred to as the “grower” which expression shall, where the context so admits include its successors and assignees) who was incorporated/registered in the Republic of Kenya and having its registered office at in the Republic of Kenya.

a. **WHEREAS** the out-grower institution wishes to contract sugarcane farming with a grower in pursuit of its functions, and generally:

- i. promote and represent the interests of its growers;
- ii. organize its members’ farms within a catchment area into viable economic units to enable its farmers pool resources for bulk procurement of farm inputs, services and machinery;
- iii. ensure that its members comply with their contractual obligations;
- iv. negotiate the terms of supply of sugar crop to the miller and the co-ordination of the production, harvesting and transportation thereof;
- v. provide financial credit or arrange for financing of growers in the production of their sugar crop, including land clearing and preparation, planting, cultivation and tending, harvesting, transportation and the supply of goods and services relating thereto;
- vi. provide or procure services, advice and assistance for grower members as may be required, to carry out or procure the carrying out of such operations for grower members;
- vii. provide or procure accounting services and record keeping services for members in respect of their individual operations; and;
- viii. purchase, sell or otherwise deal in, securing or providing such goods, materials, supplies and services as may be required by its members.
- ix. maintain a register of its members and the growers in accordance with the provisions of the Data Protection Laws with whom it has entered into agreement for sugar crop farming and supply, with particulars of the location, land registration number, soil type, identity number, contract numbers, sugarcane harvesters, transporters, acreage, varieties, crop cycles and yield of sugar crop per acreage of all the growers.

- b. **WHEREAS** the out-grower institution has entered into sugarcane supply contract with the miller in respect of sugarcane grown by its members.
- c. **WHEREAS** the out-grower members are willing to grow sugar crop with the assistance of the out-grower institution under specific agreements signed between out-grower members and the out-grower institution; and
- d. **WHEREAS** the miller is willing to buy all sugar crop of requisite quality from the out-grower institution specified in this agreement.

NOW IT IS AGREED BETWEEN THE PARTIES AS FOLLOWS:

TERMS OF AGREEMENT

1. The term of this agreement shall commence on the date it is signed and shall, unless sooner determined under the provisions hereof, continue until the grower has supplied one plant and two ratoon crops, which is a period of up to twenty four months for plant crop and up to twenty two months for each ratoon crop provided that for early maturing varieties, the crop may be harvested earlier as appropriate, and that by mutual consent the said term may be extended to include the harvesting of one or more ratoon crops as long as the crops meet agreed quality standards, with or without modifications of the terms and conditions herein contained, by a memorandum of extension endorsed hereon not less than three months before the date of the anticipated commencement of harvesting of what would otherwise have been the last ratoon crop under the contract.
2. Sugar crop transportation shall be done within 24 hours after harvesting, and stacked securely to avoid spillage. The out-grower institutions and cane transporters shall always ensure a prompt turn round time; and transport costs shall be charged based on the weight of delivered sugar crop at established zonal rates.
3. The sugar crop transporter shall be included in the harvesting program indicating specific obligations and area of operation and shall be held responsible, by either party, for sugar crop spillage during transportation.
4. Sugarcane shall be weighed at the milling factory
5. Sugarcane shall be weighed at a weighbridge approved by the respective County Governments in consultation with the Board. The weighbridge shall be serviced, inspected, calibrated and stamped by the Weights and Measures department in accordance with the Weights and Measures Act, Cap. 513.
6. The sugarcane price payable by any party shall be the price derived through the payment formula determined by the Sugarcane Pricing Committee.
7. The parties to this agreement shall always undertake to conduct their business above board with the aim of ensuring integrity, transparency and accountability.

OBLIGATIONS OF THE OUT-GROWER INSTITUTION

8. The out-grower institution shall maintain a register in accordance to provisions of Part (a) ix above.
9. The out-grower institution shall, before the start of each financial year, prepare a cultivation and planting program and share it with its grower members.

OBLIGATIONS OF THE GROWER

10. The grower shall grow and supply sugar crop of requisite quality in areas specified in this supply contract.

11. The grower shall notify the out-grower institution in advance of any planned disruption of the cultivation, planting and harvesting program.

12. The grower shall monitor and notify the out-grower institution promptly on incidences of pests and diseases to enable timely interventions by the relevant authorities.

SUGARCANE HARVESTING, TRANSPORT, WEIGHING AND SELLING

13. The out-grower institution shall decide to harvest, transport and weigh all such sugarcane as is derived from its out-grower members' contracted sugarcane plots.

14. The out-grower institution shall not sell its members sugarcane nor dispose of it or any interest therein to any other parties, other than through this agreement.

COSTS AND RECOVERY

15. The charges for all goods and services to be provided by either party shall remain as listed in the agreement.

16. The out-grower institution shall bear, on behalf of the out-grower members all direct and indirect costs of the works, goods and services supplied by the miller or other parties as specified in their agreements and unless the same are paid earlier allow such costs to be deducted from payment for sugarcane supplied by the out-grower member provided indirect costs, shall have been discussed and agreed at the time of the contract.

TERMINATION OF CONTRACT

17. The grower shall not assign any interest therein or any of his rights or obligations under the agreement without the written consent of the out-grower institution.

18. Where the out-grower institution offers services at the wrong time, the grower shall have the option of arranging for alternative services upon notice to the out-grower institution.

19. Where the out-grower institution ceases to exist, the grower may deliver the sugarcane to another party without the approval of the out-grower institution within the same Sugarcane Catchment Area.

20. Where the out-grower institution ceases to exist, the miller may harvest, transport and mill the sugarcane of the grower upon approval by the Board without further reference to the out-grower institution.

21. If any party decides to discontinue or terminate the relationship with the other party, he shall give a three months' notice of his intention to do so and shall pay all his dues before such termination of the contract, which shall be without prejudice to all rights accrued and obligations incurred to or by either party prior to the date of termination and shall not prejudice claim for damages for such breach of contract.

FORCE MAJEURE

22. Neither the grower nor the out-grower institution shall be obliged to perform their respective obligations under this agreement if and to the extent that they or either one of them may be hindered or prevented from so doing directly or indirectly by an event of force majeure.

23. The affected party shall report any event of force majeure within seven (7) days from the date of its occurrence and the competent authorities of both parties shall certify the said event.

24. The obligations of the parties under the specified agreement shall remain suspended for the period during which the said event of force majeure persists.

DISPUTES

25. Any question or dispute as to the responsibility to fulfil the terms of this agreement shall be resolved in accordance with the provisions of the Act.

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

SIGNED for or on behalf of the out-grower institution

In presence of:.....

SIGNED for or behalf of the grower:

In presence of:

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

Date:

FORM KSB/09

(r.16)



INTER-MILLER AGREEMENTS

This **AGREEMENT** is made the (day) of..... (month) two thousand and**BETWEEN**.....(names in full) of P. O. Box(Town/City) (referred to as the “supplying miller”, which expression shall, where the context so admits, include his successors and assignees) whose plot L.R No..... and is situated in Village..... Ward..... Sugarcane Catchment Area Sub-County..... County..... **AND** (name in full) of P.O Box..... (Town/City) (referred to as the “receiving miller” which expression shall, where the context so admits include, its successors and assignees) which was incorporated/registered in the Republic of Kenya and has its registered office atin the Republic of Kenya.

- a. **WHEREAS** the supplying miller has entered into a sugarcane supply contract with the receiving miller in respect of sugarcane contracted between a grower and the supplying miller;
- b. **WHEREAS** the supplying miller is willing to supply sugarcane in circumstances contemplated under section 21 of the Act.
- c. **WHEREAS** the receiving miller is willing to buy all sugarcane of requisite quality from the supplying miller specified in this agreement.

NOW IT IS AGREED BETWEEN THE PARTIES AS FOLLOWS:

TERMS OF AGREEMENT

1. The term of this agreement shall commence on the date it is signed and shall, unless sooner determined under the provision of clauses hereof, continue until the supplying miller has supplied the quantity agreed herewith.
2. The receiving miller shall accept cane from the supplying miller subject to available milling capacity as approved by the Board.
3. The supplying miller shall harvest, transport and witness the weighing of sugarcane within the terms and conditions agreed between both parties.
4. The receiving miller shall off-load sugarcane quickly and efficiently by applying the principle of first in first out (FIFO) and no sugarcane shall be stored in the yard for more than 12 hours from mill-time, provided that during the handling of sugarcane in the yard vehicles shall not be used in such a manner as to destroy sugarcane.

- 5. The receiving miller shall notify the supplying miller of any change in planned activities as soon as the need for such change becomes apparent and he shall issue notices to stop further supply of sugarcane.
- 6. The receiving miller shall pay the supplying miller within seven days of sugarcane delivery.
- 7. If a receiving miller fails to pay the supplying miller as specified by these Regulations and Schedule, the receiving miller shall be liable to pay a penalty of 1.5% per month on the outstanding arrears of the affected supplying miller.
- 8. The parties to this agreement shall always undertake to conduct their business above board with the aim of ensuring integrity, transparency and accountability

TERMINATION OF CONTRACT

- 9. The supplying miller shall not assign any interest therein or any of his rights or obligations under this agreement without the written consent of the receiving miller.
- 10. If any party decides to discontinue or terminate the relationship with the other party, the miller shall give a 7-day notice of his intention to do so. Any such termination of the contract shall be without prejudice to all rights accrued and obligations incurred to or by either party prior to the date of termination and shall not prejudice claim for damages for such breach of contract.

FORCE MAJEURE

- 11. Neither the supplying miller nor the receiving miller shall be obliged to perform their respective obligations under this agreement if and to the extent that they or either one of them may be hindered or prevented from so doing directly or indirectly by an event of force majeure.
- 12. The affected party shall report any event of force majeure within seven (7) days from the date of its occurrence and the competent authorities of both parties shall certify the said event.
- 13. The obligations of the parties under the specified agreement shall remain suspended for the period during which the said event of force majeure persists.

DISPUTES

- 14. Any question or dispute as to the responsibility to fulfil the terms of this agreement shall be resolved in accordance with the Act.

IN WITNESS WHEREOF the parties hereto have executed this Agreement on the day and date herein.

SIGNED for or on behalf of the receiving miller:

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

In presence of:

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

SIGNED for or behalf of the supplying miller:
Name..... Designation:.....
In presence of:
Name..... Designation:.....
Date
Kenya Sugar Board

THIRD SCHEDULE
RETURNS

FORM KSB/10

(r. 10(2))



MILLER RETURNS

1. Monthly Factory Performance

..... **SUGAR COMPANY**

MONTHLY FACTORY PERFORMANCE DATA

Month of Year

PERIOD ENDING:	THIS MONTH		TO-DATE	
	ACHIEVED	TARGET	ACHIEVED	TARGET
Cane Quality				
1. Pol % Cane				
2. Fibre % Cane				
3. Extraneous Matter % Cane				
4. Staleness Index (days)				
Production				
1. Processed Cane (Tonnes)				
2. Sugar Bagged (Tonnes)				
3. Sugar Made (Tonnes)				
4. TC/TS				
5. Rendement (Sugar % Cane)				
6. Molasses Produced (Tonnes)				
7. Bagasse Produced (Tonnes)				
Milling Data & Recoveries				
1. Milling Rate (TCH)				
2. Preparation Index %				
3. Extraction Efficiency %				
4. Boiling House Recovery (BHR) %				
5. Overall Recovery (OR) %				
6. Reduced Extraction Efficiency %				
7. Reduced BHR %				
8. Reduced OR %				
Sugar Quality				
1. Colour (ICUMSA) - Mill white				
- Brown				
2. Pol % Sugar - Mill white				

- Brown				
3. Moisture % Sugar - Mill white				
- Brown				
Time Account				
1. Actual Grinding Time (Hrs)				
2. Stoppages (Hrs) (i) Scheduled				
(ii) No Cane				
(iii) Factory				
(iv) Others				
3. Factory Time Efficiency %				
4. Overall Time Efficiency %				
5. Overall Time Utilisation %				
6. Capacity Utilisation %				
By-Product				
1. Bagasse % Cane				
2. Pol % Bagasse				
3. Moisture % Bagasse				
4. Final Molasses % Cane				
5. Pol % Molasses				
% Pol Losses in:				
1. Bagasse				
2. Filter Cake				
3. Molasses				
4. Undetermined				
5. Total Losses				
Consumables				
1. Lime (Kg/TC)				
2. Sulphur (Kg/TC)				
3. Wood Fuel (Tonnes)				
4. Furnace Oil (Tonnes)				
Others				
1. Calendar Time (Hrs)				
2. Gross Grinding Time (Hrs)				
3. Annual Maintenance (Hrs)				
4. FEJ Pol %				
5. FEJ Purity %				
6. F/mol Purity %				

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2. Daily Sugar Production, Ex-Factory Prices, Sales and Closing Stocks

DAILY RETURNS ON SUGAR PRODUCTION, SALES, EX-FACTORY PRICES AND CLOSING STOCKS AS AT
 (DATE & YEAR)

----- SUGAR COMPANY												
Date or sugar report	Sugar Production (Tonnes)	Sugar sales (Tonnes)	Closing Stock (Tonnes)	Ex factory sugar prices (Kshs)								
				50 Kg bag	25 kg bag	Branded baled sugar			18 kg bale	15 kg bale	12 kg bale	10 kg bale
				25 kg bale	24 kg bale	20 kg bale						

NOTE:

- 1 Sugar production, sales and stocks refer to the previous day's data.
- 2 Reporting is on daily basis from January to December. The Report shall be prepared forwarded to KSB not later than 12 noon every day except for the weekends and holidays. Weekend data shall be forwarded along with the Monday's information while the holiday information will be submitted on resumption of duty.

On the last day of the month Kindly provide the below data												
**Monthly Average Sugar Prices												
i) 50kg bag (in Kshs)		vi) 24kg bale (In Kshs)										
.....											
ii) 25kg bag (in Kshs)		vii) 20kg bale (in Kshs)										
.....											
iii) 10kg bag (in Kshs)		viii) 18kg bale (in Kshs)										
.....											
iv) 5kg bag (in Kshs)		ix) 15 kg bale (in Kshs)										
.....											
v) 25kg bale (In Kshs)		x) 12 kg bale (in Kshs)										
.....											
		xi) 10 kg bale (in Kshs)										
											

****Monthly Average Sugar Prices (Kshs per tonne)**

****Monthly Average Molasses Prices (Kshs per tonne)**

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3. Monthly Molasses Production, Ex-Factory Prices, Sales and Closing Stocks

..... SUGAR COMPANY

MONTHLY REPORT ON SUGAR AND MOLASSES PRODUCTION AND DISTRIBUTION IN THE MONTH OF YEAR.....

ITEMS	SUGAR		MOLASSES	
	This Month	Year - to- date	This Month	Year - to- date
Supply				
Initial Stock				
Production				
Total Supply				
Distribution				
Domestic Sale				
Export Sale				
Wastage				
Total distribution				
Ending Stock				

State nature / causes of wastage:

Cane crushed for the month,MT Year - to - date,MT

Sugar made for the month,MT Year - to - date,MT

Rated capacity of factory, T.C.D

Actual achieved capacity of the factory, TCD

**Monthly Average Molasses Prices (Kshs per tonne)

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(Reporting is on monthly basis from January to December. A copy of the Report shall be forwarded to KSB Office not later than the 10th day of the succeeding month.)

4. Monthly Agriculture Data

..... SUGAR COMPANY

..... SUGAR COMPANY

AREA UNDER CANE IN OUTGROWERS AND NUCLEUS ESTATE BY VARIETIES AND CROP CLASSES

AT THE END OF MONTH YEAR.....

VARIETY	OUTGROWERS (HA)	NUCLEUS ESTATE (HA)	ALL FARMS (HA)
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	OUTGROWERS (HA)					NUCLEUS ESTATE (HA)					ALL FARMS (HA)				
	PC	R1	R2	R3+	Sub-total	PC	R1	R2	R3+	Sub-total	PC	R1	R2	R3+	Total
1															
2															
3															
4															
5															
Others															
TOTAL															

Note:

1. If there are more than five varieties, indicate only the five major varieties and the rest are to be Considered as others.
2. R3+ - third and other ratoons

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(Reporting is on monthly basis from January to December. A copy of the Report shall be forwarded to KSB Office not later than the 15th day of the succeeding month.)

Prepared By:

(Name & Signature)

Date:

Prepared By:	
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(Name & Signature)	(Name & Signature)
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Date;	
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FOURTH SCHEDULE**FEES AND LEVIES**

Category	Amount (KSh.)	Licensing authority
Mill registration	Nil	Board
Nursery certificate	5,000	County Government
Jaggery operating license	100,000	Board
Sugar mill operating license	1,000,000	Board
Sugar crop, sugar and sugar by-products import/export registration	200,000	Board
Sugar import/export Permits	Nil	Board
Molasses procurement permit for domestic market	400 per tonne	Board
Molasses procurement permit for exports	1,000 per tonne	Board