

THE CROPS ACT, 2013

(No. 16 of 2013)

IN EXERCISE of the powers conferred by section 40 of the Crops Act, 2013, the Cabinet Secretary, in consultation with the Authority, makes the following Regulations—

THE COFFEE (GENERAL) REGULATIONS, 2018

PART I-PRELIMINARY

Citation and
commencement.

1. These Regulations may be cited as the Coffee (General) Regulations, 2018 and shall come into operation upon publication in the Gazette.

Interpretation.
No. 16 of 2013.

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

“Act” means the Crops Act, 2013;

“agent” means a person appointed by a grower to carry out any functions licensed under these regulations on behalf of the grower;

“auction” means the system under which clean coffee is offered for sale at the Nairobi Coffee Exchange;

No. 13 of 2013.

“Authority” means the Agriculture and Food Authority established under section 3 of the Agriculture and Food Authority Act, 2013;

“Board;” means the Board of the Authority established under section 5 of the Agriculture and Food Authority Act 2013;

“Cabinet Secretary” means the Cabinet Secretary for the time being responsible for agriculture;

“direct settlement system” means a clearing and settlement system for payment of coffee proceeds by appointed commercial banks and is managed by the Nairobi Coffee Exchange;

“certified coffees” means coffees produced under tenets of a recognized certification scheme bearing a certification mark;

“clean coffee” means coffee bean or dried seed of the coffee plant separated from non-food tissues of the coffee fruit where the silver skin is reduced to the maximum possible extent;

“coffee” means the plant botanically known as *Coffea* species (L.) and includes the fruit, whether on the plant or detached therefrom, the seed in form of either *buni*, parchment coffee, clean coffee, roasted beans or ground coffee;

“coffee association” means a registered group comprised of smallholder coffee growers, co-operative societies, societies, coffee estates, coffee unions, coffee millers, traders, roasters or companies, which has been licensed by a licensing authority;

“coffee branding” means the identification of coffee by defined characteristics, a specific name and origin;

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

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

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

“coffee estate” means any large area of land or group of parcels of land not being less than two acres in size in aggregate under the same ownership on which coffee is grown or land which has an average production of not less than twenty thousand kilograms of cherry per year over a period of three years;

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

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

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

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

“coffee roaster” means a person licensed by the respective county government to buy, roast and package coffee;

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

“coffee trader” means an incorporated company licensed by the Authority to buy clean coffee at the Exchange, export, local sale or value addition or to import clean coffee for secondary processing in Kenya;

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

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

“collateral manager” means an institution appointed by the Exchange to take custody of coffee at a licensed warehouse;

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

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

“cupping centre” means a coffee quality analysis laboratory;

“dealing in coffee” means dealing with the crop within the meaning of the Act;

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

“Exchange” means the Nairobi Coffee Exchange or other commodity exchange licensed by the Capital Markets Authority;

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

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

"inspector" means an inspector appointed under the Act;

“Kenya Agricultural and Livestock Research Organization” means the organization established under Section 3 of the Kenya Agricultural and Livestock Research Act, 2013.

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

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

“manufacturing” means processing coffee by pulping, milling and roasting;

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

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

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

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

“pulping station” means a station where primary coffee processing takes place;

“sales catalogue” means a standard document prescribed by the

Authority and prepared by a miller in consultation with the Exchange for sale of clean coffee at the Exchange;

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

“settlement account” means an account by a grower in the direct settlement system into which all coffee sales proceeds from licensed warehouses or sold at the exchange are paid;

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

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

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

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

“warehouseman” means any person who owns, leases or is in charge of a warehouse where coffee is handled and stored for reward or profit; and

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

Object and purpose.

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

- (a) align these Regulations with the Constitution and the Crops Act, 2013;
- (b) provide for the functions of County Government in view of devolution of agriculture;
- (c) recognize the grower of coffee as the owner of coffee;
- (d) provide for protection of growers’ rights along the value chain;
- (e) provide for the speedy clearing and settlement of coffee proceeds to the growers and service providers;
- (f) provide for the collection and maintenance of data related to coffee;

- (g) ensure improvement of coffee standards, increased production and support; and
- (h) regulate the coffee industry in Kenya.

PART II- FUNCTIONS OF THE AUTHORITY AND COUNTY GOVERNMENTS

Functions of the Authority.

4. (1) The Authority shall in the performance of its functions, act through the directorate responsible for coffee, to carry out such activities as are necessary to promote, develop and regulate the coffee industry.
- (2) The Authority shall in coordination with County Governments—
 - (a) issue coffee commercial milling, cupping, warehousing, and trading licences;
 - (b) co-ordinate capacity building activities for players in the coffee value chain;
 - (c) enforce national regulations, industry code of practice and other quality standards in the coffee industry
 - (d) collect, collate and maintain a data base and disseminate information on the coffee industry;
 - (e) conduct local and international coffee market intelligence and promotional activities including the application of the National Coffee Kenya Mark of Origin;
 - (f) establish linkages with various government agencies and research institutions
 - (g) develop and promote strategies for the coffee industry;
 - (h) recommend general guidelines for interaction between various players in the coffee industry;
 - (i) promote the development of regional appellations for Kenyan coffee; and
 - (j) develop and enforce the coffee industry standards and industry code of practice in collaboration with the Kenya Bureau of Standards.

County Governments functions.

5. The County Governments shall—
 - (a) register coffee growers;
 - (b) issue coffee nursery certificates;
 - (c) issue pulping station, grower milling, and coffee roasting licences ;
 - (d) offer extension services on coffee production and primary processing;
 - (e) inspect nurseries, pulping stations, warehouses and millers

located within their respective counties;

- (f) enforce county and national legislation on coffee, industry code of practice and other industry standards;
- (g) in collaboration with law enforcement agencies, enhance security in coffee growing areas;
- (h) enforce policies and guidelines on corporate governance in coffee grower's institutions; and
- (i) monitor and report incidences of pests and disease outbreaks and take appropriate action in collaboration with the Authority and other relevant government agencies.

Collaboration between
County Government and
the Authority.

6. The County Government and the Authority shall consult, collaborate and cooperate in the development, promotion and regulation of the coffee industry.

PART III: REGISTRATION AND LICENSING

Registration.

7. (1) All coffee growers shall avail themselves for registration as provided in this regulation for purposes of—
- a) data capture and maintenance;
 - b) regulation and coffee quality assurance;
 - c) planning, inputs estimates and credit requirements; and
 - d) Provision of extension services.
- (2) Every grower shall register with the county government and the county government shall share the information obtained with the Authority.
- (3) A small holder shall register with a co-operative society or any other legal entity of which he is a member.
- (4) The county governments shall maintain up-to-date registers of all coffee co-operative societies, coffee associations, coffee estates and nursery operators and share the information with the Authority.
- (5) The Authority shall maintain an up-to-date register of all licensees.
- (6) Neither the Authority nor the County Governments shall charge any growers' registration fee.
- (7) Registration shall take the format prescribed by Form H of the

First Schedule in these Regulations

Application for a licence.

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

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

(3) Every coffee dealer shall produce the certificate or license respectively issued under sub-regulation (1) upon request by an inspector at all times.

Prohibition against operating without a licence or permit.

- 9.** A person shall not pulp, mill, warehouse, export, trade , transport , possess or otherwise deal in or transact any business in coffee unless the person holds a valid licence or movement permit issued by the Authority or the County Government for that purpose.

Licensing.

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

- (a) a coffee nursery certificate authorizing the holder to operate a coffee nursery;
- (b) pulping station licence authorizing the holder to operate a pulping station and may undertake hulling;
- (c) a coffee grower's milling licence authorizing the holder to pulp, mill, market or roast own coffee
- (d) a coffee roaster licence authorizing the holder to buy, roast or grind and package clean coffee for local sale.

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

- (a) a commercial miller's licence authorizing the holder to conduct the business of milling coffee at a fee;
- (b) a warehouse licence authorizing the holder to conduct the business of warehousing coffee;
- (c) a coffee liqueur's licence authorizing qualified persons to offer liquoring services;
- (d) an independent cupping laboratory licence authorizing the holder to offer coffee liquoring services and training on coffee quality at a fee; and

(e) a coffee trader's licence authorizing the holder to buy clean coffee from the Exchange for export, local sale or value addition or import clean coffee for secondary processing in Kenya,

Provided that—

(a) the trader shall apply to the Authority for an import permit; and

(b) the coffee so imported shall comply with the Kenya coffee standards.

(3) The Authority may share the information on licensees with the respective County governments for the purposes of monitoring the quality of services rendered.

Limitation of a coffee trader's licence.

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

(2) The Authority may revoke any licence, which is found to be held in contravention of sub-regulation (1).

Conditions of licence.

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

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

(3) Every licensed person shall comply with the Kenya Coffee Industry Standards.

Licensing procedure.

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

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

(3) The applicant may resubmit an application following such rejection after addressing the issues raised in the

notification from the licensing authority.

(4) Where an application is rejected after resubmission under sub-regulation (3), the applicant may appeal to the Cabinet Secretary within thirty days after notification of the rejection by the licensing authority.

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

(6) The notice referred to in sub-regulation (5) shall—

(a) specify the name or other particulars of the person or class of persons to whom the licence is to be granted;

(b) state the purpose for the proposed licence and indicate the date such licence is proposed to be issued to the successful applicant; and

(c) invite objections to the proposed grant of licence and direct that such objections be lodged with the licensing authority within fourteen days from the date of the notice.

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

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

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

Duration of licences.

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

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

Movement permits.

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

(2) No person shall move coffee or cause any coffee to be moved without an original movement permit issued by the licensing authority in accordance with sub regulation (1).

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

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

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

(6) No person shall transport or be in possession of any coffee unless he is licensed to carry out any of the activities specified in these Regulations and holds a valid original movement permit issued –

(a) in the case of cherry and parchment, by the respective county of origin; or

(b) in the case of clean coffee, by the Authority,

Provided that paragraph (a) shall not apply to a smallholder moving own coffee between the farm and the pulping station where he is registered.

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

(8) Any person who moves coffee contrary to this regulation commits an offence.

Obligations of licensees.

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

(2) The obligations set out in the Third Schedule shall be implied in every contract between a grower and a grower's agent.

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

(4) Licences issued under these Regulations shall not be transferable.

PART IV—PRODUCTION AND PROCESSING

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

17. (1) Every estate grower who plants or uproots coffee shall, within six months after doing so, notify the county government in writing of the size of area planted or uprooted for record purposes.

(2) Every small holder grower who is a member of a co-operative society or other legal entity and who plants or uproots coffee shall, within three months of doing so, notify the co-operative society or other legal entity, in writing, of the area and number of trees planted or uprooted for record purposes.

(3) The co-operative society or other legal entity to which a report is made under sub regulation (2) shall notify the county government accordingly at the end of every coffee year after registering such details from the smallholder grower as specified in form G set out in the First Schedule.

(4) Any grower who changes the details of his farm or estate as registered with the county government whether on a subdivision of the estate or otherwise, shall report such changes to the county government for record purposes.

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

Coffee Industry Standards and Code of Practice.

18. The Authority shall develop and enforce a coffee industry code of practice and standards on coffee production, processing and marketing.

Certification of Kenya Coffee.

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

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

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

marketing.

- (4) A coffee grower, miller or any other player in the coffee value chain may seek certification to ensure quality of service and market confidence.
- (5) A miller shall declare certified coffees in the sales catalogue.
- (6) Certified coffee shall be traded in accordance with the rules of the Exchange.
- (7) A coffee miller shall provide documentary proof of certification to the Exchange before such coffees are offered for sale.

Prohibition in issuance of coffee seeds or seedlings.

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

(2) Notwithstanding sub-regulation (1) any person who issues coffee planting materials for multiplication or distribution other than the Kenya Agricultural and Livestock Research Organization shall obtain certification from the relevant statutory bodies.

(3) No person shall establish or operate a coffee nursery unless the person is licensed by the respective county in consultation with the Authority.

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

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

(a) visits and inspects the site and is satisfied that the site is suitable for establishment of a nursery; and

(b) is satisfied that the nursery licensee or their agents have adequate knowledge of nursery management and production techniques.

Requirements relating to
coffee pulping.

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

(2) The pulping station licence shall include an authority to undertake hulling of own parchment or *buni*.

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

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

(b) in handling parchment, do quality analysis of the dry parchment prior to storage and shall only mix parchment that is of similar quality; and

(c) insure the coffee against loss and damage while at the station and in transit and reinforce the security of the station to guard against theft of coffee.

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

(5) The licensee shall submit returns on the coffee received and processed to the licensing authorities in the format set out in the First Schedule.

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

Requirements relating to
coffee milling.

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

(a) a coffee grower, grower's co-operative society or other entity representing the grower, under a coffee grower's milling licence; or

(b) a commercial miller under a commercial miller's license.

(2) Coffee milling shall only be conducted at premises that are

specified as such in the register maintained by the Authority.

- (3) A coffee miller shall allocate an out-turn number for every coffee delivered and received for purposes of traceability.
- (4) A commercial miller shall ensure that the grower or grower's representative is given reasonable notice to be present during the milling process.
- (5) A person who makes an application for a commercial miller's licence shall produce to the licensing authority as a supporting document, a bank guarantee in favour of the coffee grower worth between one million United States dollars and twelve million United States dollars, or one and a half times the free on board (f.o.b.) value of the coffee transacted on in each particular case less the transaction cost, whichever is the higher.
- (6) A commercial miller who does not handle coffee sales proceeds on behalf of the grower shall be exempted from the provisions of sub-regulation (5)
- (7) A coffee miller shall take out insurance cover against fire, theft and other risks for all coffee in its possession and custody.
- (8) Every miller shall account for mill spillage or sweepings and all other coffee by-products to the growers and the Authority.
- (9) The Authority shall undertake regular inspections to ensure compliance with these Regulations by the coffee mills.
- (10) A coffee grower may deliver coffee samples not exceeding 500 grams of parchment or *buni* for independent quality analysis prior to the actual delivery to a commercial coffee miller and such laboratories shall issue the grower with a quality report.
- (11) A miller shall submit returns on coffee received and milled to the Authority in form C3 set out in the First Schedule.
- (12) A coffee miller shall comply with the Kenya Standard Coffee Grades set out in the Fifth Schedule.

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

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

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

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

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

PART V—COFFEE TRADING AND MARKETING

Coffee trading.

- 23.** (1) Kenya Coffee shall be traded through—
- (a) the Exchange; and
 - (b) direct sales.
- (2) The prices offered at the direct sales shall bear a favourable comparison to those discovered at the Exchange.
- (3) A coffee trader, local roaster or miller licensed by the relevant licensing authority, may trade at the auction in accordance with the rules set by the Exchange.

Direct sales.

- 24.** (1) A grower, co-operative society, association or other legal entity representing growers may undertake direct sales.
- (2) A grower, co-operative society, association or other legal entity representing growers may sell own clean coffee to licensed local roasters for local value addition and sale.
- (3) A grower, co-operative society, association or other legal entity representing growers shall notify the Authority of the direct sales and the notification shall contain the following—
- (a) a copy of the contract, where applicable;
 - (b) the coffee grade;
 - (c) the quantity;
 - (d) the price; and
 - (e) the details of the buyer.
- (4) Direct sales shall be conducted according to the guidelines issued by the Authority under the Sixth Schedule.
- (5) A certificate of inspection shall be issued by the Authority on coffee to be sold under direct sales in the format prescribed under the Sixth Schedule.

Coffee Auction.

- 25.** (1) The Nairobi Coffee Exchange shall manage the auction floor and central sample room.
- (2) The proceeds of the sale of coffee by the auction shall be deposited in a direct settlement system established in accordance with the trading rules of the Exchange and managed by the Exchange.
- (3) The grower or the grower's authorized representatives, shall after the commencement of these Regulations, supply all the necessary particulars of the grower to the commercial bank providing the direct settlement system to the grower, for purposes of initiating the settlement system.
- (4) The grower or the grower's authorized representatives shall also lodge with the commercial bank providing the direct settlement system, any relevant contracts of service for which payment will be due from the grower, and any other document showing outstanding liabilities payable by the grower, for purposes of settlement through the system.
- (5) The particulars supplied shall take the format prescribed by

Form H set out in the First Schedule.

- (6) The grower or the grower's authorized representatives shall ensure that the information provided under sub-regulations (3) and (4) is correct and relevant and they shall be liable for any loss or other consequences resulting from any incorrect information given to the commercial bank providing the settlement system.
- (7) The process of trading at the Exchange shall be in accordance with the Nairobi Coffee Exchange and shall comprise the following—
 - (a) a miller shall deposit clean and graded coffee at a designated licensed warehouse, and where the clean coffee is a bulk, the miller shall provide details of the bulk and the proportions of the respective growers' coffee;
 - (b) coffee shall meet defined quality standards for commodity trading at the Exchange;
 - (c) the warehouseman shall issue a coffee warrant as set out in the Eighth Schedule or transferable warehouse receipts as the case may be, stating the quantity and quality of the coffee deposited and ensure traceability of the coffee;
 - (d) for purposes of sale, the miller shall input the details of the coffee warrant or warehouse receipt as the case may be, into the central registry of the Exchange;
 - (e) the warehouseman shall guarantee delivery of the coffee described in the coffee warrant or warehouse receipt as the case may be, and in the event of loss or failure of delivery, the warehouseman shall be liable;
 - (f) the collateral manager, where applicable, shall confirm that the warehouse receipt as the case may be, is valid by inspecting and auditing underlying commodities in warehouse;
 - (g) upon verification, details in the central registry shall be confirmed into the central order book ready for trading;
 - (h) the Exchange in consultation with millers shall set the volumes, dates and times for holding of coffee auctions and determine the order of the sales catalogues for every sale and ensure that reasonable

access to the auction is given to all persons licensed to trade;

(i) all trading in coffee shall be concluded at the trading floor of the Exchange;

(j) once auction is complete, successful bidders shall be invoiced by the miller and payments of the proceeds shall be effected through direct settlement system net of contract and statutory charges;

(k) upon confirmation of payment by the direct settlement system and endorsement by the Exchange, title to coffee shall be transferred to the buyer by changing ownership details in the coffee warrant or warehouse receipt, as the case may be, at the central registry;

(l) the new owners will thereafter be at liberty to take delivery of the coffee; and

(m) a coffee warrant or warehouse receipt as the case may be, issued by the warehouseman to a depositor of coffee shall be transferable to a new holder who has purchased the coffee and is entitled to take its delivery upon presentation of the endorsed coffee warrant or warehouse receipt to the warehouseman.

(8) The Exchange shall develop guidelines for the admission of coffee roasters to the auction floor for the purchase of coffee.

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

Sales catalogue.

26. (1) A miller shall prepare a sales catalogue in consultation with the Exchange and growers, for all the coffee transferred to a warehouse in accordance to the trading rules referred to in regulation 22(4).

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

Coffee promotions.

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

Coffee warehousing in designated warehouses.

- 28.** (1) All coffee shall be stored in warehouses duly licensed by the Authority in consultation with the respective County Governments.
- (2) No premises shall be designated as a coffee warehouse by the Authority unless the premises are inspected, approved, and licensed.
- (3) A licensed warehouse shall conform to the standards issued by the Kenya Bureau of Standards and shall be duly certified by a public health officer.
- (4) The Authority shall inspect warehouses and warehousing activities on a regular basis.
- (5) No warehouseman shall have a lien of any nature over coffee whether in his possession or not.
- (6) Every warehouseman shall insure all coffee in his warehouse or under his custody against fire, theft and other insurable risk.
- (7) No coffee shall be removed from a warehouse without an endorsed coffee warrant or warehouse receipt as the case may be.
- (8) Every warehouseman shall account for the spillage or sweepings and any other coffee by-products and for any weight loss to the growers and the Authority
- (9) A person who operates a warehouse contrary to this regulation commits an offence.

Export and import of coffee.

- 29.** (1) No person shall export coffee or cause any coffee to be exported unless a phytosanitary certificate of inspection and either a certificate of origin or a certificate of re-export, issued by the competent authorities are presented to the Commissioner of Customs and Excise.
- (2) No coffee grown outside Kenya shall be imported into Kenya unless accompanied by a certificate of origin and a phytosanitary Certificate issued by the competent authorities.
- (3) The Authority shall authorize and monitor the importation of coffee into Kenya.

Prohibition against blending.

30. (1) A person who blends any or various grades of coffee produced in Kenya with any other coffees produced outside Kenya shall not represent such coffee as coffee having its origin in Kenya.

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

Exemption.

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

PART VI—QUALITY ASSURANCE

Quality Assurance for Coffee Industry.

32. (1) The Authority shall enforce coffee industry standards along the value chain, for purposes of quality assurance.

(2) The Authority, in consultation with industry stakeholders, shall develop a training curriculum, conduct examinations and issue certificates for coffee liquorers.

(3) A person certified as a liquorer shall apply for an annual licence to offer liquoring services.

(4) The Authority may establish cupping centers in the counties for the purpose of coffee quality analysis and capacity building.

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

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

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

Inspections.

33. (1) The Authority, in collaboration with the County Governments, shall conduct inspection of coffee farms, coffee nurseries, pulping stations, coffee mills, warehouses, cupping centres, vessels transporting coffee or the premises of coffee traders to ascertain compliance with the requirements of the Act and these Regulations.

(2) A smallholder, a grower, a pulping station operator, a transporter, a miller, a warehouseman or a trader shall accord an

inspector full and free access and all necessary assistance during the inspection.

Prohibition against removal of labels, seals, etc.

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

Surveillance.

- 35.** The Authority shall conduct periodic surveillance within coffee-growing counties and among millers, processing plants, warehousing facilities, transporters, retail outlets, export points, and exporters' premises to assess the degree of compliance with the coffee industry policy, standards, code of practice, laws and the general well-being of the coffee industry.

PART VII—GENERAL PROVISIONS

Dispute Resolution

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

Alteration of licences, certificates and trade documents.

- 37.** (1) No person shall alter any document issued by a licensing authority or any other competent authority.

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

General penalty.

- 38.** A person who commits an offence under these Regulations for which no other penalty is provided shall be liable upon conviction, to a fine not exceeding five hundred thousand shillings or to a term of imprisonment not exceeding one year or to both.

- 39.** Notwithstanding the provision of regulation 38, the licensing authority may suspend or revoke a license issued under these Regulations.

Revocation L.N No.....

- 40.** The Coffee (General) Rules 2002 are revoked.

Transitional provision.

- 41.** Notwithstanding regulation 40—
- (a) all licenses existing before the coming into operation of these regulations shall remain valid until their expiry, and subsequent licenses shall be issued under these Regulations;
- (b) any contract entered into and any requirement as to the particulars to be entered in any contract used for the purposes of the Coffee (General) Rules, 2002 (now repealed) which was in force immediately before the date of commencement of these Regulations shall continue in force and have effect as

though prescribed under these Regulations.

FIRST SCHEDULE (r.7)
COUNTY GOVERNMENT OF

Form A1

APPLICATION FOR A COFFEE NURSERY CERTIFICATE

(1) Personal Information

Name of Applicant:.....

(Attach National ID/Passport)

Nature of application:

New [] Renewal []

County:sub- county

Ward.....Village/Road

Nearest public institution.....

Land Registration No/Plot No

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

Contact Details:

Postal Address.....

Email

Telephone:.....

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

(a) A certified copy of certificate of incorporation/registration;

(b) A certified copy of the official list of directors/ constitution/by laws;

(2) Nursery Category (tick as appropriate)

(a) Commercial ☐

(b) Private ☐

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

REQUIREMENTS:

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

Date:*Signed:*

(3) County officer recommendations

.....
.....

.....
.....

5. Nursery certificate Approval

FOR OFFICIAL USE

Approved/Not Approved.....

County Officer's name..... Designation.....

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

Stamp:

FIRST SCHEDULE (r.--)
COUNTY GOVERNMENT OF

Form A2

COFFEE NURSERY CERTIFICATE

Valid fromto.....

Name of certificate holder:

Postal Address

Email.....

Telephone:

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

Ward.....

Village/Road.....

L.R. No. or Plot No:

Nursery Code:

Nursery Category (tick as appropriate)

(a) Commercial

☐

(b) Private

☐

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

Issued by

The County Officer's name..... Designation.....

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

Stamp:

Terms and conditions:

1. The Nursery certificate holder shall maintain records of source of seed, amount of allocated seed, seedlings raised and seedlings sold, as the case may be.
2. The Nursery certificate holder shall remit returns to the respective County government on an annual basis.
3. The source of seed/seedlings shall be the Kenya Agricultural and Livestock Research Organization or its authorized agents provided that any imported seed shall undergo phytosanitary certification by Kenya Plant Health Inspectorate Service.
4. A coffee nursery certificate may be suspended where the certificate holder, without any good reason acceptable to the County government, fails to submit returns.
5. The Nursery certificate shall not be transferable.
6. The County government may vary, suspend or revoke, the certificate issued to any person if such person fails to comply with terms and conditions of the certificate.

FIRST SCHEDULE**(r.-----)****COUNTY GOVERNMENT OF**

Form A3

COFFEE NURSERIES RETURNS

1. Name of Nursery/ certificate holder:
2. Postal Address:Postal Code.....
Email.....
3. Telephone:
4. County:Sub-county.....
5. Ward.....Village/Road.....
6. L.R. No. or Plot No:
7. Nursery Code.....
8. Period of returns from.....to.....
9. Source of planting materials (seed /seedlings/ cuttings)

SEEDLING STOCK

<i>Variety</i>	<i>Balance B/f from previous year(number):</i>	<i>Quantity of seed received/purchased(kg)</i>	<i>No. of seedlings raised</i>	<i>Total seedlings available</i>	<i>Remarks</i>
Ruiru 11					
Batian					
SL28					
Blue Mountain					
K7					
SL34,					
Robusta					
Others (Specify)					
Total					

Seedlings Sales

No .	Date	Name of Buyer	ID/Passport /Registration Number	Mobile No.	Receipt No. Issued	Variety (specify)	Total	Remarks
1								
2								
3								
4								
5								
		Total						

Prepared by:

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

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

Stamp:.....

FIRST SCHEDULE**(r.-----)**

Form B1

COUNTY GOVERNMENT OF.....**APPLICATION FOR PULPING STATION LICENCE**

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

Year	Production (kg)

10. Authorized County Agriculture officer's recommendations:

.....
.....

OFFICIAL USE**Issued by****The authorized County Agriculture Officer's****Name..... Designation.....**

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

Stamp:

(r.-----)

Form B2

COUNTY GOVERNMENT OF.....
PULPING STATION LICENCE

Valid fromTo.....

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

2. Contacts:

Postal Address.....

E-mail.....

Telephone:

3. Location:

County Sub County.

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

Name of farm (where applicable):

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

Issued by:

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

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

Stamp:

Subject to the terms and conditions:

1. This licence shall be only for pulping own coffee.
2. The pulping licensee shall comply with the Coffee Industry Code of Practice and Standards.
3. The pulping licensee shall allow free access to the premises by the inspectors authorized by the respective licensing authority.
4. The pulping stations shall submit their pulping returns to the County government on an annual basis.
5. The County government may vary, suspend or revoke the license issued to any person if such person fails to comply with terms and conditions of the licence.
6. The pulping station licence shall not be transferable.

FIRST SCHEDULE (r)

FORM B3

**COUNTY GOVERNMENT-----
PULPING STATION LICENCE
ANNUAL RETURNS**

FIRST SCHEDULE (r)

COUNTY GOVERNMENT OF.....

FORM C1 APPLICATION FOR GROWER MILLER LICENCE

1. Name of applicant.....
2. Nature of application:
New [] Renewal []
3. Postal Address: Postal Code
4. Email.....Mobile number.....
5. County.....Sub-County
6. Ward.....Village/road.....
7. L.R. No. / Plot No.....
8. Where the applicant is a company, co-operative society, association or society, supply the respective County government with:
(a) A certified copy of certificate of incorporation/registration;
(b) A certified copy of the list of directors/officials.
9. Application is made for a coffee grower miller licence in accordance with the particulars given above, which are hereby certified to be correct by the applicant(s): -
Name.....Signed.....Date.....
Name.....Signed.....Date.....
Name.....Signed.....Date.....
10. Milling capacity:-
 - a) Parchment.....tonnes per hour

b) Buni.....tonnes per hour

11. Mill certification (if any):

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

The particulars given are hereby certified to be correct.

Applicant Signature.....

Date

Stamp.....

FIRST SCHEDULE (r)
AGRICULTURE AND FOOD AUTHORITY

.....

APPLICATION FOR A COMMERCIAL COFFEE MILLING LICENCE

1. Name of applicant.....
2. Nature of application:
 New [] Renewal []
3. Postal Address: Postal Code
4. Email.....Mobile number.....
5. County.....Sub-County
6. Ward.....Village/road.....
7. L.R. No. / Plot No.....
8. Where the applicant is a company, co-operative society, association or society, supply the respective County government with:
 - (a) A certified copy of certificate of incorporation/registration;
 - (b) A certified copy of the list of directors/officials.
 - (c))A bank guarantee in favour of the coffee grower
9. Application is made for a coffee milling licence in accordance with the particulars given above, which are hereby certified to be correct by the applicant(s): -

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

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

Name.....Signed.....Date.....
10. Milling capacity:-
 - c) Parchment.....tonnes per hour
 - d) Buni.....tonnes per hour
11. License category (tick as appropriate)—

Grower miller ☐ Commercial miller ☐
12. Mill certification (if any):
13. Application is hereby made for a coffee milling licence. The particulars given are hereby certified to be correct.

Applicant Signature.....

Date

Stamp.....

FIRST SCHEDULE (r)
COUNTY GOVERNMENT OF.....

FORM C3

GROWER MILLER LICENCE

Name

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

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

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

EmailMobile number.....

County.....Sub-county

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

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

Is/are hereby authorized to operate a milling plant as a grower miller at.....to
(tick as appropriate)

- ☐ mill own coffee
- ☐ market own coffee
- ☐ roast/grind and package own coffee.

Issued by:

Issued by:

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

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

Stamp:

Subject to Terms and Conditions:

1. A licensee shall submit their milling returns to the Authority on a monthly basis.
2. The licensee shall comply with the Coffee Industry Code of Practice and Standards.
3. The licensee shall allow free access to the premises by the inspectors authorized by the respective licensing authority.
4. The Authority may vary, suspend or revoke the license issued if the holder fails to abide with the terms and conditions of the license.

5. The licence shall not be transferable.

FIRST SCHEDULE (r)
AGRICULTURE AND FOOD AUTHORITY
FORM C4 **COMMERCIAL MILLING LICENCE**

Name

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

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

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

EmailMobile number.....

County.....Sub-county

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

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

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

Issued by:

Signature..... *Date*

Head Coffee Directorate

Agriculture and Food Authority

Subject to Terms and Conditions:

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

FIRST SCHEDULE (r)

COUNTY GOVERNMENT OF

FORM C5

GROWER MILLER MONTHLY RETURNS

Miller's Name.....

Grower Miller's Code.....License No.....

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

EmailMobile number.....

County.....Sub-county

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

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

Coffee year Month.....

Grower Name	Grower Code	Out-Turn	Parchment (Kg)				CLEAN COFFEE										Buni				
			P1	P2	P3	T/P	AA	AB	PB	E	C	TT	T	SB	UG	Total cc	Milling loss	MH	ML	Total Clean Buni	Milling Loss
Total																					

Monthly Sweepings in Kg.....

Roasted Coffee Returns -----

Coffee sales returns

(i) Local-----

(ii) Exports -----

Prepared by:

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

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

Stamp

FIRST SCHEDULE (r)

FORM C6

COMMERCIAL MILLER MONTHLY RETURNS

Miller's Name.....

Miller's Code.....License No.....

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

EmailMobile number.....

County.....Sub-county

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

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

Coffee year Month.....

Grower Name	Grower Code	Out-Turn	Parchment (Kg)				CLEAN COFFEE											Buni			
			P1	P2	P3	T/P	AA	AB	PB	E	C	TT	T	SB	UG	Total cc	Milling loss	MH	ML	Total Clean Buni	Milling Loss
Totals																					

Monthly Sweepings in Kg.....

Milling Charges per Tonne (*where applicable*)

Transport charges (*where applicable*)

Sorting per Tonne (*where applicable*)

Other charges (Specify).....

Prepared by:

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

Signature.....*Date*.....

Stamp

FIRST SCHEDULE (r)

AGRICULTURE AND FOOD AUTHORITY

FORM D1

APPLICATION FOR A COFFEE TRADER'S LICENCE

1. Name of applicant.....
2. Nature of application:
New [] Renewal []
3. Postal AddressPostal Code.....
4. Registered address Building.....
Street.....
Town/City..... L.R. No.
Where the applicant is a company, co-operative society, association or society-
5. Date of Incorporation.....
6. Registration No.....
7. Physical Address
8. Location of the principal office.....
Address.....
Mobile number
E-mail.....
9. Full names, addresses and occupations of the directors:

	<i>Name:</i>	<i>Address:</i>	<i>Occupation:</i>
1.	-----	-----	-----
2.	-----	-----	-----
3.	-----	-----	-----
10. Branch Office(s) if any
Address.....
Building Street
Town/City..... L.R. No.
Mobile number
E-mail.....
11. I/We certify that that the information hereby given in this application is true and I/We commit to comply with the terms and conditions of the licence.

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

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

13. Authorized Officer:

Name:

Mobile number:

Signature.....

Stamp.....

FIRST SCHEDULE (r)

AGRICULTURE AND FOOD AUTHORITY

FORM D2

COFFEE TRADER'S LICENCE

Name of Trader.....
Licence No. Trader's Code.....
Valid from.....to.....
Postal Address:Postal Code.....
EmailMobile number.....
County.....Sub County.....
Ward.....Street/road
L.R.No./Plot No.....

Is hereby authorized to buy clean coffee at the Exchange for export or local sale or to import
clean coffee for secondary processing in Kenya.

Issued by:

Signature.....

Date

Head Coffee Directorate

Agriculture and Food Authority

Subject to Terms and Conditions:

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

FIRST SCHEDULE (r)

COFFEE TRADER'S MONTHLY RETURNS

FORM D3

TRADER'S MONTHLY RETURNS

Name of Trader.....

Physical Address.....

Postal Address.....

Licence No. Trader's Code..... Email.....

Mobile number.....

Coffee Year Month

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

Prepared by:

Name of authorized officer: Signature.....

Designation..... Date

Stamp

FIRST SCHEDULE (r)

COFFEE TRADER'S MONTHLY RETURNS

FORM E1 APPLICATION FOR COFFEE IMPORT PERMIT

FORM E2

COFFEE IMPORT PERMIT

INCLUDE TERMS AND CONDITIONS OVERLEAF

FORM E3

COFFEE IMPORTER RETURNS

COUNTY GOVERNMENT OF

FORM F1

APPLICATION FOR A COFFEE ROASTER'S LICENCE

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

	<i>Name:</i>	<i>Address:</i>	<i>Occupation:</i>
1.	-----	-----	-----
2.	-----	-----	-----
3.	-----	-----	-----
6. Branch Office(s) if any
 - a. Postal Address.....Postal code.....
 - b. Building Street
 - c. Town/City..... L.R. No.
 - d. Mobile No.....
 - e. E-mail.....
7. I/We certify that that the information hereby given in this application is true and I/We commit to comply with the terms and conditions of the licence.
Date.....

Name of Director..... Signature

Name of Director..... Signature

Name of Director..... Signature

8. Licensing requirements shall be as per the Second Schedule of these Regulations.
9. Name, Address and mobile number of the owner/authorized officer:
 - a. Name:
 - b. Physical Address
 - c. Mobile number:

FIRST SCHEDULE (r)
COUNTY GOVERNMENT OF.....

FORM F2

COFFEE ROASTER'S LICENCE

Name

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

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

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

E-mailMobile number.....

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

Ward..... village/road/street

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

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

Issued by:

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

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

Stamp:

Subject to Terms and Conditions:

1. A licensee shall submit their trading returns to the respective county government on a monthly basis.
2. The licensee shall comply with the Coffee Industry Code of Practice and Standards.

3. The licensee shall allow free access to the premises by the inspectors authorized by the respective county government.
4. The county government may vary, suspend or revoke the coffee roaster's licence issued if the holder fails to abide with the terms and conditions of the licence.
5. The coffee roaster's licence shall not be transferable.

FIRST SCHEDULE (r)
COFFEE ROASTER'S MONTHLY RETURNS

FORM F3

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

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

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

Report prepared by:

Authorized officer's name.....

Signature.....

Date.....

FIRST SCHEDULE (r)

AGRICULTURE AND FOOD AUTHORITY

FORM G1

APPLICATION FOR A WAREHOUSEMAN'S LICENCE

1. Name of applicant
2. Nature of application:
New [] Renewal []
3. Postal Address.....Postal Code.....
4. Registered Office..... Building.....Street.....
Town/ City..... L.R. No.....
Mobile number.....
E-mail.....
5. Date of Incorporation.....
6. Registration No.....
7. Full Names, Address and Occupations of the Directors:

	<i>Name</i>	<i>Address</i>	<i>Occupation</i>
a)
b)
c)

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

Name of authorized officer.....

Designation.....

Signature.....

Date.....

Stamp.....

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

FIRST SCHEDULE (r)

AGRICULTURE AND FOOD AUTHORITY

FORM G2

WAREHOUSEMAN'S LICENCE

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

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

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

THIS LICENCE is not transferable.

ISSUED at Nairobi thisday of20.....

Signed.....

Agriculture and Food Authority

Subject to terms and conditions:

1. A warehouseman shall not engage in any business that is contrary to the provisions of the Coffee Regulations.
2. A warehouseman shall maintain a record of all transactions undertaken and avail them to an authorized officer of the Authority.
3. The warehouseman shall submit their warehouse returns to the Authority on a monthly basis.
4. The warehouseman shall comply with the Coffee Industry Code of Practice and Standards.
5. The warehouseman shall allow free access to the premises by the inspectors authorized by the Authority.
6. The Authority may vary, suspend or revoke the warehouseman's licence issued if the holder fails to abide with the terms and conditions of the licence.
7. The warehouseman's licence shall not be transferable.

FIRST SCHEDULE (r)

FORM G3

WAREHOUSEMAN'S MONTHLY RETURNS

1. Name of Warehouseman.....
2. Physical Address.....
3. Postal address Postal code.....
4. Licence No.....Authority's Code.....Email.....
5. Mobile number.....
6. Crop Year.....: Month

Name of Client /Company	Stock B/F			Stock Received (In)				Stock Released (Out)					Stock C/F			Remarks
	No of bags	Pockets	Net weight	No of bags	Pockets	Net weight	Movement permit No.	No of bags	Pockets	Net weight	Warrant No	Movement permit No.	No of bags	Pockets	Net weight (kg)	

(Bags are 60kgs net weight)

Prepared by:

Authorized Officer's name:

Designation.....

Signature.....

Stamp

FIRST SCHEDULE (r)

Form H

COFFEE GROWERS NOTIFICATION TO COUNTY GOVERNMENT

Planted or uprooted coffee

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

5. Change of Acreage

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

Prepared by:

Name of authorized person.....

Designation.....

Signature.....

Stamp

FIRST SCHEDULE (r)

AGRICULTURE AND FOOD AUTHORITY

Form I

CERTIFICATION BODY NOTIFICATION

1. Name of Certification Body-----
2. Principal Office -----
Postal Address.....Postal Code..... Building.....
Street.....Town/ City.....L.R. No.....
Email-----Mobile Number.....
3. Name of Certification scheme (s).....
.....
4. Components of certification Scheme (include the core components and other services)
 - a)
 - b)
 - c)
5. Cost of Certification scheme(s) services and other related costs, specify below: -

NO	Type of Service	Cost(Ksh/USD)
1.		
2.		
3.		

6. Certification Body Technical and management staff skills
(Please specify the technical staff and their technical competencies, attach CVs and copies of certificates)

NO	Name	Qualifications attained
1.		
2.		
3.		

7. Certification scheme benefits (Specify)
.....
.....

Prepared by:

Authorized officer's nameDesignation.....

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

Stamp

FIRST SCHEDULE (r)
AGRICULTURE AND FOOD AUTHORITY

Form J

**CRITERIA FOR COMPETITIVE SOURCING OF A COFFEE MILLER BY
 COOPERATIVE SOCIETIES**

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

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

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

9. Estimated milling losses.....

TYPE	3 YEARS AVERAGE MILLING LOSS	REMARKS
Parchment 1		
Parchment 2		

Parchment 3/ Lights		
Buni		

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

Year	KES PER TONNE	REMARKS
1		
2		
3		

11. Total Payments for sweepings in the last three years (KES)

Year	KES PER TONNE	REMARKS
1		
2		
3		

12. Other support services offered (state with cost)

NO	Services	Unit Cost of service	Comments
1.			
2.			
3.			
4.			
5.			

FIRST SCHEDULE (r)

FORM.....

LIQUORING LICENCE.....

FIRST SCHEDULE (r)

**AGRICULTURE AND FOOD AUTHORITY
SELF-DECLARATION FORM**

Form K

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

Declared at

This day of -----

Before a Magistrate/Commission for Oaths

SECOND SCHEDULE

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

REQUIREMENTS AND FEES

A—Licensing Requirements

a) Nursery Certificate

1. Individual National Identity /Passport.
2. Suitable land site for establishment of a nursery
3. Reliable source of clean water
4. Accessibility of nursery site for inspection and materials transportation
5. Applicant to hire or possess nursery management skills /know how
6. Any other requirements that may be prescribed by the licensing authority from time to time

In addition, where the applicant is a company/society

7. A certified copy of certificate of incorporation/registration (in the case of companies or societies)
8. A certified copy of memorandum and articles of association;
9. Names of directors/officials

b) Pulping station licence

1. Applicants personal details and contacts
2. Individual National ID/Passport.
3. Copy of title deed or certificate of leasehold of a duration of lease of not less than six years as proof of ownership *or* proprietorship and a current certificate of search or other supporting documents.
4. Letter of No Objection issued by the mother society, if applicable.
5. A minimum of 2 acres of coffee or 20,000kgs of cherry on an average of three years.
6. Reliable source of water
[Attach Clearance letter or certificate by water department, where applicable]
7. Certificate by National Environmental Management Authority, where applicable.
8. A standard pulping station established upon issuance of Authority to Erect such station by the Authority.
9. 7. Any other requirements that may be prescribed by the licensing authority from time to time

c) Grower Miller's Licence

1. Applicant's personal details and contacts.

2. Valid Grower pulping Station License(PSL) code issued by the County Government
Where the applicant is a coffee Association
3. a certified copy of certificate of registration...
4. Names of officials, individual National ID/ Passport No.
5. Compliance with statutory requirements, including but not limited to; Tax Compliance, NEMA certificate, Safety and Occupational Health Certificate, Public Health certificate and County Business Permit
6. A certified copy of a comprehensive insurance cover from a reputable firm proportionate to volume of coffee handled as per insurance valuation
7. Proof of engaging services of a coffee liquorer registered by the Authority or establishment of a certified cupping lab
8. Complete coffee milling facilities subject to an initial written approval and issuance of Authority to Erect the coffee mill OR lease of a complete coffee mill.
9. Self declaration of any indebtedness, conflicts and litigations within the coffee industry.
10. Any other requirements that may be prescribed by the Authority from time to time.

d) A commercial coffee miller's licence

1. Registered company
2. Certificate of incorporation
3. Name(s) of officials, ID numbers/ Passport numbers.
4. Compliance with statutory requirements, including but not limited to,
 - a) NEMA certificate
 - b) Occupational Health and Safety Certificate, (OHSA)
 - c) Public Health certificate
 - d) County Business Permit
 - e) Tax Compliance certificate by KRA
5. A certified copy of a comprehensive insurance cover from a reputable firm
6. Proof of engaging services of a coffee liquorer registered by the Authority.
7. Establishment of coffee milling facilities including cupping laboratory subject to an initial written approval and issuance of Authority to Erect the coffee mill OR lease of a complete coffee mill.
8. Self declaration of any indebtedness, conflicts and litigations within the coffee industry.
9. Any other requirements that may be prescribed by the Authority from time to time.

e) Roaster's License

1. Applicant's personal details and contacts (provide copies of National identity/Passport)
2. If applicant is a company—
 - (a) A certified copy of certificate of incorporation
 - (b) Names of company directors, individual National ID/Passport No,
3. If applicant is a registered business or company-
 - (a) Certificate of Registration/incorporation
 - (b) Particulars of the proprietors - individual National Identity/Passport No, Pin Numbers
4. Compliance with statutory requirements, including but not limited to,
 - a) NEMA certificate where applicable
 - b) Occupational Health and Safety Certificate,(OHSA) where applicable
 - c) Public Health certificate
 - d) County Business Permit
 - e) Tax Compliance certificate by KRA
5. Establishment of coffee roasting and packaging facilities subject to prior approval by the Authority or lease of the facilities.
6. Self declaration of any indebtedness, conflicts and litigations within the coffee industry.
7. Any other requirements that may be prescribed by the Authority from time to time.

f) Coffee Trader's Licence

1. Names of company officials, individual National ID/Passport No.
2. A certified copy of certificate of incorporation
3. Clearance letter from the Nairobi Coffee Exchange (NCE) in the case of renewals
4. Compliance with statutory requirements, including but not limited to,
 - (a) NEMA certificate where applicable
 - (b) Occupational Health and Safety Certificate, (OHSA) where applicable
 - (c) Public Health certificate

- (d) County Business Permit
- (e) Tax Compliance certificate by KRA
- 5. A valid performance bond of Kshs 1,000,000/= in favour of the Authority or such amount as the Authority may determine in consultation with the Nairobi Coffee Exchange.
- 6. Proof of engaging the services of a coffee liquorer registered by the Authority and leasing or establishing of cupping facilities
- 7. Self-declaration of any indebtedness, conflicts and litigations within the coffee industry.
- 8. Any other requirements that may be prescribed by the Authority from time to time

h) Warehouseman's Licence

- 1. copy of a certificate of incorporation/Registration.
- 2. Names of company officials, individual National ID/ Passport No,

3.Compliance with statutory requirements, including but not limited to,

- (a) NEMA certificate where applicable
- (b) Occupational Health and Safety Certificate,(OHSA) where applicable
- (c) Public Health certificate
- (d) County Business Permit
- (e) Tax Compliance certificate by KRA
- 4. A comprehensive insurance cover from a reputable firm proportionate to volume of coffee handled as per insurance valuation.
- 5.Standard coffee warehousing facilities, which conform to the coffee warehousing requirements.
- 6.Any other requirements that may be prescribed by the Authority from time to time.

B—CERTIFICATE AND LICENCE FEES

The following license fees shall apply for the respective certificates and licenses:-

Category	Amount (KSh.)/US\$	Payment
Application Forms	Nil	Licensing Authority
Growers Registration	Nil	Licensing Authority
Nursery Certificate	KSh. 1,000	County Government
Pulping Station license	KSh. 1,000	County Government
Grower's miller license	KSh. 20,000	County Government

Category	Amount (KSh.)/US\$	Payment
Commercial Coffee Millers license	US\$ 1,000	Authority
Roaster's License	KSh. 5,000	County Government
Coffee Commercial Warehouse License	US\$ 1,000	Authority
Trader	USD 500	Authority
Coffee Import Permit per consignment /volume (for further engagement	Ksh10,000	Authority
Parchment/Buni coffee movement permit (per leaf)	Free	County Government
Clean coffee movement permit from County of origin (per leaf)	Ksh. 50	County Government
Clean coffee movement permit for coffee exports (per leaf)	USD 1	Authority
Late application fee	10% of the license fees	Licensing authority
Independent Cupping Center	Ksh 20,000	Authority
Liquorer's annual practicing fees	Ksh1,000	Authority

THIRD SCHEDULE

(r.16(1)(2))

OBLIGATION OF LICENSEES

The following are the operating standards and obligations which shall be binding the licensee:- The cost charged by cooperative societies to growers for pulping, milling, transportation, warehousing, marketing and any other service shall not exceed 15% of the net earnings from the coffee sales subject to the society's budget whichever is lower and the same shall be stated in the agreement at the beginning of each year and the amount shall be paid by the growers upon receipt of payment for the coffee.

A. Pulping Station Licence

1. The licensee shall perform sorting and density grading of cherry immediately upon receipt from smallholder growers or from own estate
2. The cooperative society licensee shall weigh the grower's cherry using a calibrated weighing system, maintain an accurate record of the same and give an original receipt thereof to the smallholder grower immediately.
3. The licensee shall carry out the process of removal of coffee pulp from the cherry, fermentation, washing and drying to the desired moisture content in accordance with the coffee standards.
4. The, licensee shall digitize its coffee weighing scales and post the information of quantity and quality to a central database made accessible to the grower.

5. In parchment handling, the licensee shall do quality analysis of the dry parchment prior to storage and will mix only parchment that is of similar quality.
6. The licensee shall digitize stock cards.
7. The licensee shall insure the coffee against loss and damage while at the station and in transit and in the event of non-payment by the insurer owing to breach of the insurance contract or other cause by the licensee, the licensee shall be liable to pay for the loss or damage.
8. The licensee shall reinforce the security of the station to guard against theft of coffee by its servants or other persons and where security of the parchment cannot reasonably be guaranteed, it shall transport the same to a safer location.
9. Before moving the parchment and Buni coffee, the licensee shall apply for a movement permit for the coffee from the County government.
10. The licensee shall ensure that the vehicle ferrying coffee is installed with a tracking device.
11. The licensee shall have the permits for the movement of coffee duly endorsed by the miller to acknowledge receipt of the parchment clearly indicating quantity and quality and shall file proper returns for the same which shall periodically be availed to the relevant authorities for verification. Each vehicle shall bear an original movement permit with specific driver details and vehicle registration number.
12. The licensee shall deliver a sample to an independent cupping laboratory before the actual delivery of the coffee to the commercial miller where one is contracted.
13. The licensee shall have no authority to receive the grower's money after sale of the coffee and payment shall be done directly to the grower from the Central Depository Unit or other agent appointed by the grower for that purpose, and the licensee shall receipt its agreed fees from the same unit or agent.
14. In the event that there is need for borrowing by licensed Growers societies and associations, they shall only seek credit from regulated financial institutions upon approval by the growers.

B. Milling Licence

1. There shall be a service contract between the parties.
2. The cost of service by a commercial miller shall be agreed in terms of US Dollars per tonne of processed parchment or *buni* at the beginning of each year and the same shall be paid through the direct settlement system in accordance with the service agreement with the grower. The licensee shall publish annual tariffs that are registered with the Authority and shall not charge the grower more than the published amounts.
3. The licensee shall be accountable to the grower for the coffee received and shall acknowledge receipt of the same from the grower by endorsing the movement permit and issuing a weigh bridge receipt, confirming whether the volume, the grading and the owner of the coffee is as indicated in the permit and by issuing an identifying outturn number for the coffee so delivered.
4. The licensee shall issue a delivery note to the grower or his authorized agent and transmit data of the same to a central database operated and maintained by the licensee and shared with the direct settlement system and the Nairobi Coffee Exchange.

5. The licensee shall, if it has not done so, digitize its weighing scales and its grading equipment to ensure precision and protect against loss of coffee volume.
6. In the event of bulking, the licensee shall indicate the minimum millable lot in the contract, inform the grower and receive the grower's consent to bulk his coffee with the coffee of others, file a log and share with the owners of the coffees being bulked, stating their names, volume, and quantities of the batches being bulked and provide each person in the bulk a copy of the sales receipt indicating the distribution of the value of the same upon sale
7. The licensee shall provide a statement on milling losses and sweepings, stating the range of expected milling loss for every parchment type and *buni* as approved by the Authority,, provide a target milling loss per delivery on analysis of the sample and grant the grower the right of advance adequate notification of the time and date of the milling of the grower's coffee to enable the grower to be present at the milling.
8. The licensee shall share all milling statements with the Authority.
9. The licensee shall insure the coffee against loss and damage while at the station and in transit and in the event of non-payment by the insurer owing to breach of the insurance contract or other cause by the licensee, the licensee shall be liable to pay for the loss or damage.
10. A licensee who wishes to lend or advance any credit to growers' associations on behalf of growers shall establish a regulated subsidiary company to provide such financial services.
11. The licensee's liquorers shall take out and maintain professional indemnity insurance covers.
12. The licensee shall file copies of the movement permit returns duly endorsed by the licensed warehouseman, upon delivery of the milled coffee to the warehouse.
13. The licensee shall provide copies of warehouse receipts to the grower and ensure that the relevant authorities have verified that movement permits were endorsed by the licensed warehouseman.
14. The licensee shall prepare a catalogue for the coffee to be offered for sale at the Exchange. The terms of agreement between a grower and a miller for milling of coffee shall be reduced into writing provided that the agreement shall expressly incorporate the obligations set out in this Schedule and Termination of milling agreements between growers and millers shall be subject to prior written notice of not less than two months.
15. Every commercial miller shall mill coffee on a First- In, first –Out basis provided the miller shall take into consideration any instructions from the grower on the milling and marketing of such coffee or bulking instructions where they apply to realize millable quantities.

C. A Warehouseman's Licence

1. There shall be a service contract between the licensee and miller acting on behalf of the grower of the coffee deposited in the warehouse in the custody of the licensee.

2. The cost of the service shall be agreed in terms Kenya Shillings per 60kg **Bag** of the coffee stored at the warehouse at the beginning of each year and the same shall be paid through the direct settlement system by the grower upon sale of the coffee in accordance with the service agreement.
3. The licensee shall upon delivery of the coffee be accountable to the grower for the coffee received and shall acknowledge receipt of the same from the grower or his authorized representative through an endorsement confirming whether the volume, the grading and the owner of the coffee are as indicated in the permit and by confirming the outturn number for the coffee so delivered.
4. The licensee shall issue coffee warrant or warehouse receipt, as the case may be, for the coffee so received in the name of the grower or his authorized representative.
5. The licensee shall issue a goods received note (GRN) and transmit data of the same to a central database operated and maintained by the licensee and shared with the direct settlement system and the Nairobi Coffee Exchange.
6. The licensee shall publish tariffs that will be filed with the Authority.
7. The licensee shall not allow the grower's coffee to be sold without the knowledge and consent of the grower and will not allow the grower's representatives to borrow funds against the growers' coffee.
8. The licensee shall, if it has not done so, digitize its weighing scales and its grading equipment, and it shall weigh and count all the bags of coffee delivered to ensure precision and protect against loss of coffee volume.
9. The licensee shall insure the coffee against loss and damage while at the station and in transit and in the event of non-payment by the insurer owing to breach of the insurance contract or other cause by the licensee, the licensee shall be liable to pay for the loss or damage.

D. Direct Settlement System Provider

1. The providers of the direct payment system shall be Banks or licensed financial institutions that meet the selection criteria set by the Exchange under the Trading Rules of the Exchange and approved by the Capital Markets Authority. The criteria include: -
 - a) Capacity and willingness to expedite settlement and direct payment of coffee proceeds of sale to coffee growers and service providers
 - b) Past experience in the management of centralized processing and settlement system for commodities;
 - c) A network to reach out to all coffee growing and other areas.
 - d) An ICT infrastructure for information gathering, processing, dissemination and archiving.
 - e) Past experience in handling of agricultural commodities; and
 - f) Understanding and willingness to comply with government regulations.
 - g) Expression of interest
2. A selected service provider shall receive from coffee growers or the growers' authorized representatives all the relevant particulars of the growers and the growers' service providers, maintain these records and submit the same to the Exchange and the Capital Markets Authority regularly as follows:

- (a) monthly submit a report to the Exchange and the Capital Markets Authority showing transactions matched and approved for settlement by it; and
 - (b) monthly submit a report showing separately for each grower or service provider, the dates when such funds were received, the identity of the depositor, the dates such funds were debited, withdrawn or disposed of otherwise, together with the facts and circumstances of such debit, withdrawal or disposition, including the authorization thereof
3. The direct settlement system shall have an operations manual explaining all aspects of its functioning, including the interface and method of transmission of information between the direct settlement system provider, the Exchange, the Clearing House, licensed Warehouses and other relevant persons or entities in the coffee value chain;
 4. The direct settlement system shall, either through the Exchange or otherwise, have adequate arrangements including insurance for indemnifying the depositors for any loss that may be caused to such depositors by the wrongful act, negligence or default of the provider or any of its employee and agents. direct settlement system
 5. The direct settlement system provider shall have mechanisms in place to ensure that the interest of depositors are adequately protected and to register the transfer of coffee warrants or Electronic Warehouse Receipts as the case may be, in the name of the transferee only after the system provider is satisfied that payment for such transfer has been made;
 6. The direct settlement system provider shall have adequate systems and safeguards for the issuance and transference of coffee warrants or Electronic Warehouse Receipts as the case may be and prevent manipulation of records and transactions and ensure that it complies with the requirements specified in these Trading Rules of the Exchange and other relevant laws.
 7. The network through which electronic means of communications are established between the direct settlement system provider, the Clearing House, licensed Warehouses shall be secure against unauthorized entry or access;
 8. The direct settlement system provider shall have adequate mechanisms to ensure that the integrity of the automatic data processing systems is maintained at all times and all precautions necessary to ensure that the records are not lost, destroyed or tampered with and in the event of loss or destruction, ensure that sufficient back up of records is available at all times at a different place.

FOURTH SCHEDULE

r.22(16)

MILLING AGREEMENT

AGREEMENT made this..... day of..... two thousand and
BETWEENof..... a licensed miller (License No. ...)
(hereinafter called the "miller", which expression shall where the context so
admits include his or its successors and assignees) of the First Part;

AND

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

WHEREAS:

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

NOW IT IS HEREBY AGREED BETWEEN THE PARTIES AS FOLLOWS:

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

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

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

4. The grower agrees to pay:

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

- (f) hand sorting charges at the rate of..... US\$/60kg bag of cc
- (g) handling charges at the rate..... USD/60kg bag cc

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

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

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

6. The miller shall submit the milling out-turn statement to the grower as set out in Form F1 in the Coffee (Forms) Rules.

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

SIGNED for or on behalf of the miller:

.....
in the presence of:

.....
SIGNED for or on behalf of the grower:

.....
in the presence of:

.....
...

FIFTH SCHEDULE -

A. Kenya Standards

STANDARD COFFEE GRADES

(r.22(12))

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

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

Other Miscellaneous Kenyan Grades

Grade	Description	Remarks
MH	Heavy buni from the natural washing process	Separated by density
ML	Light buni from the natural washing process	
SB	Sorted beans	
HE	Hulled ears	
UG	Clean coffee not graded occasionally referred to as estate cured coffee or sweepings	
RH	Robusta heavy	
RL	Robusta light	

FIFTH SCHEDULE

B. Specialty Coffee Grading Standards

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

FIFTH SCHEDULE

C. Certifications

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

SIXTH SCHEDULE

Direct Sales Guidelines

r 24(4)

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

1. Store coffee for direct sales at designated warehouses.
2. Enter into a direct sales contract in the format prescribed under these guidelines and shall lodge the contract with the Authority for registration and approval.
3. Submit a sample of 500gm of the said coffee for quality analysis and for arbitration purposes.
4. Have the coffee inspected by the Authority, in order to ascertain the quality, quantity and the value and for approval of the contract.
5. Be issued with an inspection certificate for every coffee consignment declared to the Authority for direct sales to ascertain the coffee quality. The inspection certificate shall be one of the requirements for clearance of direct sales exports.
6. The Authority liquorer shall conduct quality analysis and undertake price comparisons with the prices prevailing at the Exchange for coffees of the same quality and grade and notify the farmer accordingly.
7. The direct sales price offered shall not be in any case lower than the Exchange prevailing prices
8. Ensure the overseas buyer remits full payment before shipment is undertaken.
9. Apply to the relevant authorities for;
 - a) export clearance,
 - b) ICO certificate,
 - c) KEPHIS certification and
 - d) Movement Permits
 - e) Any other necessary clearance
10. Appoint an agent for purposes of logistics and other processing requirements related to coffee exports where applicable.
11. Remit monthly returns to the Authority on Direct sales undertaken.

12. Direct Sales contract

PART I – PARTICULARS OF GROWER

Name of grower

Grower Code.....

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

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

Registration No.....

PIN No.....

VAT NO.....

Postal Address.....

Telephone.....

Email.....

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

County.....

Sub County.....

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

Acreage.....

Name of designated warehouse.....

Physical location.....

Grower Agent.....

PART II – PARTICULAR OF OVERSEAS BUYER

Name of Company

Company Director(s).....

Postal Addresses.....

Registered Office.....

Street.....

Town/City..... Zip Code.....

Country.....

Port of Entry.....

E-Mail..... Tel.....

Website.....

Type of Coffee business.....

PART III- CONTRACT DETAILS

Contract ref. no.....

Grades of coffee.....

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

PART IV – TERMS AND CONDITIONS

Shipment.....

Payment.....

Insurance.....

Sample.....

Shipper.....

Destination.....

Arbitration/Terms.....

Special Condition (if any)

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

Grower nameDate.....Signature.....

Overseas Buyer.....Date.....Signature.....

SIXTH SCHEDULE r24(5)
CERTIFICATE OF INSPECTION

Name of Grower or Grower mill.....

Number of Bags.....Sales Contract No.....

Coffee Type (clean Coffee/Buni)

Grade.....Class.....

Notes on coffee quality

Price comparison

Grade	Prevailing Auction price (per 50kg)	Offer price (per 50kg)	Remarks

It is hereby confirmed that the direct sales contract is approved/not approved (tick as appropriate).

.

Inspected by:

Name.....

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

QUALITY ASSURANCE OFFICER-----

Counter Signed by:

Name.....

SignatureDate.....

COFFEE DIRECTORATE

SEVENTH SCHEDULE

SALES CATALOGUE

(r.26(2))

1. The sales catalogue shall be prepared by the Miller in consultation with the growers and forwarded to the auctioneer at the Exchange.
2. The details to be included in the sales catalogue shall include-
 - (a) The name of the grower
 - (b) The name of the Miller;
 - (c) Sale Number;
 - (d) Day, date and time of the auction;
 - (e) The place of the auction shall be Nairobi Coffee Exchange, Nairobi;
 - (f) Total number of bags of coffee to be offered for sale;
 - (g) Name of the warehouse where the coffee is stored;
 - (h) The prompt date being the date on or before which proceeds are payable to the central depository unit of the Exchange;
 - (i) Terms and conditions of sale
 - (j) The date on which rent charges in respect of purchased coffee shall be due from the buyers to warehousemen at which the coffee is stored;
 - (k) The net weights as per warehouse weights (and unless otherwise stated coffee shall be packed in bags of 60 kg net, tare weight 1.1 Kgs but bids shall be on the basis of 50 Kgs), the bags used shall conform to the international coffee packaging standards.
 - (l) Lot numbers arranged serially per miller for all coffee offered for sale;
 - (m) The out-turn Number shown against each lot number and the registered distinguishing mark of the grower miller (whether Bulk, E/Bulk, P/Bulk, T/Bulk; Spillage, or sweepings) and out-turn Number arising from operations of grower/miller;
 - (n) Grade of the coffee
 - (o) Number of bags in the lot (a saleable lot shall not have be less than ten bags)
 - (p) Net weight of coffee in kilograms respectively
 - (q) Adequate space for inserting big prices by Traders.
3. The sales catalogue shall be prepared weekly or as frequently as the Authority may determine in consultation with a grower or his agent...
4. The saleable lots in the special auction dedicated to local roasters may comprise less than ten bags.

EIGHTH SCHEDULE

COFFEE WARRANT

(r 25(2))

NAME OF WAREHOUSEMAN

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

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

This Coffee is lying at warehouse awaiting instruction and collection.

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

Category A

Category B

Chief Finance Officer

Finance Manager

Head of supply Chain
Secretary

Legal Manager-Regional Co

Head of Middle Office

Sea Exports Manager

NAME OF WAREHOUSE.....

-SIGNATURES-

Rent Commences:

.....

Rates:

Warehouse handling:

Storage:.....

Warrant fee:

CONDITIONS

1. A warrant is issued in respect of each consignment.
2. All deficiencies or losses on or damage to goods must whenever possible be notified in writing to..... ("the Company") prior to removal of the goods from the Company premises so as to afford an opportunity for checking by the Company, and in all cases where such notification is not possible, such deficiencies, losses or damage must be notified to the Company in writing within two days of the removal from the premises of the Company of the goods concerned if this condition be not complied with, the Company will in no case accept liabilities whatsoever for such deficiencies, losses or damages however caused.
3. Every warrant is transferable by endorsement and entitles the person named herein, or the last endorsee therefore named in the endorsement, to the goods specified therein, and the goods so specified shall for all purposes be deemed to be his property.

4. Upon lodging a warrant duly endorsed, the person there under entitled to the goods may transfer or obtain possession of the goods subject to the payment of all charges.
5. The contents of one warrant may be divided into others for smaller quantities at the will of the person entitled to the goods subject to the payment of all appropriate charges.
6. If a warrant is lost, written notice must at once be given to the Company. In such a case, before delivery of goods can be made, the loss of the warrant must be advertised in the Official Gazette and a copy of such publication containing the advertisement together with a guarantee signed by the applicant and countersigned by a bank approved by the Company to identify the Company against losses, claims, or damages, must be lodge with the Company in no circumstances will duplicate warrants be issued.
7. The Company takes all reasonable measures to protect goods against loss or damage but does not accept liabilities for—
 - (a) Loss or damage, arising otherwise than through the Company's negligence
 - (b) Loss, damage or deficiency cause by or contributed to any of the following causes ; Whether such loss, damage or deficiency be also in part caused by or contributed to by a neglect, wrongful act or default of the Company, it's servant or agents or other persons for whose acts the Company might apart from this clause be liable:
 - 1) Vermin;
 - 2) Frail, unsuitable, insufficient or defective packing;
 - 3) Strikes, combinations or lock-outs of any person in the employ of the Company or in the service of others;
 - 4) Improper, insufficient, indistinct or erroneous marking or addressing of goods or packages;
 - 5) Fire;
 - 6) Civil commotion;
 - 7) The President's enemies;
 - 8) Earthquake
 - 9) Loss of weight or damage in consequence of atmospheric conditions of humidity due to heat, damp or drought, or howsoever caused.
8. This warrant, if referring to coffee bulked in the;
 - (a) The Company accepts no financial liability under any circumstances for the even mix of the bulk, but undertakes to rebulk free of charge provide that:
 - 1) The person first entitled under the warrant shall lodge the claim within seven days of receiving the warrant; and
 - 2) The person first entitled under warrant shall satisfy the Company that rebuilding is necessary or advisable, the Company being prepared to accept the advice of an Arbitrator.
 - (b) The Company guarantees that the component coffees of the bulk are exactly those instructed by mark and quantity.
 - (c) The Company does not accept liability in respect of any divergence of the bulk from the expected resultant quality by reason of a variation in quality of one or more

components of the bulk. The burden of proof of the use of coffee other than the stipulated components shall rest upon the instructing dealer and in the event of such proof the Company agrees to submit to the normal quality arbitration under the Arbitration Rules of the Kenya Coffee Traders Association as shall be amended from time to time.

9. This warrant is subject to the condition that the Company shall have a general as well as a particular lien on the goods specified therein in respect of any monies owing to the Company by the person first or subsequently entitled under the warrant.
10. The acceptance of this warrant in the first place and subsequent presentation of this Warrant implies implicit acceptance of the conditions enumerated above.

Deliver to-----on payment of all
charges

Signed-----Date-----20---

Deliver to-----on payment of all
charges

Signed-----Date-----20-----

Deliver to-----on payment of all charges

Signed-----Date-----20-----

Made on the....., 2018.

MWANGI KIUNJURI,
Cabinet Secretary for Agriculture, Livestock and Fisheries.