



Agrochemicals Association of Kenya

62ND ANNUAL GENERAL MEETING (AGM) FOR THE YEAR ENDED 31ST DECEMBER
2020

HELD ON FRIDAY, 26 MARCH 2021

CHIEF EXECUTIVE OFFICER, MR ERIC KIMUNGUYI, SPEECH

It gives me great pleasure to present the Chairman's Speech for 2021 Annual General Meeting. I would first like to welcome you all to this important industry event. As you all know the AGM brings the membership of AAK together to evaluate the year that has been and chart way forward for the coming year. On behalf of the Board of Directors and the Secretariat, I salute you all.

Ladies and gentlemen, the year 2020 will go down into history as a year where the modern world was tested to the extremes due to the COVID-19 pandemic. This was least expected, and it brought about major changes in the way of life. The agrochemical industry was not an exception but through its resilience and its importance in food security there was continuity in supplies of inputs to farmers and other stakeholders. As you are all aware, this was made possible because at the onset of the pandemic we moved quickly to work with national emergency response team to have supply of agro inputs categorized as essential services, and therefore provided with stickers and badges that enabled movement of both extension staff and inputs across the country. Therefore, we can confidently say that we were able to supply inputs and keep farmers on the farms for the purposes of food security.

Ladies and gentlemen, as we review the year 2020 it is important to appreciate the highs and lows that we encountered while navigating through the year. I would therefore like to point out some of the key highlights of the year and they are as follow:

1. **Membership** – We have seen stability in the membership of the association, and this has portrayed an image of strength, vibrancy, and dependability in execution of our mandate. We therefore thank you members for the continued support. At the same time, we have seen an increased interest by stakeholders in the field of agriculture to join the association. We are aware that in year 2019 we were joined by Veterinary Input Suppliers Association of Kenya (VISAK). I am happy to announce that in the year 2020 we were joined by Fertilizer Association of Kenya (FAK). We believe that



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by coming together as stakeholders in the input supply chain then we become better placed to address issues that affect us all.

2. **Governance** – We are now three years since the enactment of the Association’s new constitution implying that the current Board has served one full term. We are glad that we were able to manage the transition smoothly and now we have a properly functioning governance structure. And as per the provisions of the constitution, all positions of the Board will fall vacant and therefore paving way for an election of the new Board.
3. **Policy** – On the policy front, we have and will continue engaging the government and other stakeholders to ensure conducive business environment for our members. This is an area that keep evolving every year and therefore we must always be alert to avoid surprises, for instance the case of VAT on pest control products that is perennially included in tax laws year after another. It has become routine that every year we must defend our position to the legislature in order to avoid taxation of pest control products.

On Pre-Verification of Conformity (PVOC) we engaged the Cabinet Secretary in the ministry of Agriculture, Livestock, Fisheries, and Irrigation and this led to the exemption of Pest Control Products and veterinary medicines from the PVOC requirement. This requirement had caused a lot of pain to our members in terms of cost and undue delays during the importation process.

On regulatory front, it has been a long journey on Pest Control Products bill and regulations. We are happy to report that tremendous progress has been made to change the 35-year-old law in that we have been able to conduct public participation and Environmental Impact assessment. We expect to have the bill move to the next stage and the gazettelement of the new regulations before the end of this year. The new law is part of the wider Pesticide management framework initiatives the industry is doing in conjunction with partners.

Further, we have engaged PCPB to have a policy on revalidation – a subject which has remained a thorn in the flesh of many of our members. As an industry we have a huge challenge in the management of obsolete pesticides because of difficulties in aligning pesticide requirements at farm level and demand forecasting whose result



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is the accumulation of obsolete pesticide. While we ask members to be agile, we are consciously engaging with the relevant authorities to have a policy on revalidation but still more is required in this area. We will be updating you on progress

On environmental front, the year 2020 saw enactment of waste management law that is meant to be operationalized by extended producer responsibility. This law requires us to take responsibility on our waste management. As an industry we have been collecting Empty pesticide containers since the year 2016 and to date we have collected and incinerated over 300 tons of plastic. Results from the study we commissioned show that the industry produces over 1300 T of plastic, and therefore far much more than we can collect. We are working with the Ministry of Environment and Pest Control Products Board to create sustainable collection centers and at the same time operationalize our Producer responsibility organization as envisaged in the regulation.

Regionally, there is on-going discussion on Harmonization of Registration of pesticides under East African Community (EAC). This law is already signed into law and the current discussion is on implementation. We shall keep you updated.

4. **Emerging new pests and diseases affecting agriculture:** - In the recent years the country has faced challenges from new pests and diseases whose intervention has relied to a large extent on the readiness of our members to provide appropriate solutions. However, this has not been easy due to lack of appropriate policy guidelines on availing such solutions. We are all aware of attacks from Fall Army Worm, *Tuta absoluta*, Maize lethal necrosis disease (MLND) and the most recent, snails in rice fields and Desert locust invasion. All these require specific policy to handle their emergence in a guided way. Greater partnership is required on the management of emergency pests including procurement process to accommodate solutions that are readily available in the market at the time of outbreaks. Nevertheless, the industry is committed and will continue to work with the government in combating these emerging pests and diseases.
5. **Anti-pesticide campaigns from civil societies:** - The greatest risk to this industry is increased activism against pest control products largely driven by NGOs whose sole agenda is to influence a change in policy. We all recall that the campaign started



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in 2019 and this culminated into parliament petition that is famously known as The Shollei petition. The industry swiftly responded by actively engaging various stakeholder – Ministry of Agriculture, various committee in parliament and other development partners in giving correct information as opposed to that which was being peddled by the NGOs. In October 2020 parliamentary health committee released their report on the Petition and this contained a raft of recommendations regarding the withdrawal of harmful chemical pesticides in the Kenyan market. The recommendations have far reaching implications, and which need to be implemented by PCPB, KEBS, KEPHIS and agrochemical industry. The report is expected to be tabled in parliament for debate soon and in the meantime, we are proactively lobbying to ensure that Risk assessment and science prevails as a guide to decision making.

6. **Corporate Social Responsibility:** - We held a successful tree planting exercise in Mau Forest as part of a partnership program with Kenya Forest Services (KFS) and Community Forest Association (CFA) to rehabilitate a part of the total 100 acres section of the Mau Forest. We thank our members for supporting this noble cause and we look forward for your participation this year.

Finally, Ladies and gentlemen, the industry will continue experiencing challenges and this will require rapid response mechanisms emanating from a strong organization. Therefore, we need to invest in our Business organization so that the industry enjoys bankable resilience that is much needed to resist the turbulence and head winds that affect the industry. Special thanks go to our partners, peer BMOs who have supported or accelerated our efforts on policy wins or advocacy work or operational activities. I welcome you to read our Annual report to learn more on our achievement in 2020.

Thank you and I wish all members a fruitful 2021.