



Agrochemicals Association of Kenya

61ST ANNUAL GENERAL MEETING (AGM) FOR THE YEAR ENDED 31ST DECEMBER 2019

AGROCHEMICALS ASSOCIATION OF KENYA (AAK)/CROPLIFE KENYA HIGHLIGHTS OF 2019

CHAIRMAN'S REPORT – PATRICK AMUYUNZU

First and foremost, I would like to thank the industry fraternity for the unmeasurable support that was extended to the Board and the Management of the Association despite the many challenges that faced the industry in 2019. We do not take this support for granted and mine is to encourage all of us to continue with the same spirit as we can only succeed when we are together.

To say 2019 was a tough year will be an understatement. The industry faced serious challenges in all its spheres, which impacted negatively to the industry and agriculture sector in general. The industry saw a drastic drop in Pest Control Products (PCPs) imports as a result of these challenges.

Some of the major challenges included:

- Drought that affected the country during the first half of the year leading to drastic reduction in the demand of PCPs to farmers;
- Value Added Tax (VAT) on agricultural pesticides that led to the increase in the cost of inputs to farmers;
- Anti-pesticide campaigns from civil societies that depicted the industry in a negative way;
- PVOC requirements for Pest Control Products that led to delays in importation.
- PCP Bill and new Regulations
Regulatory Impact Assessment for PCP regulation began in 2019
Draft PCP Bill reverted back for sufficient stakeholders' consultation
- Emerging Pests
On 28th December, 2019, desert locusts were first reported to have crossed into Kenya from Ethiopia and Somalia. The invasion has since spread through many Counties ravaging vegetation and food crops as they multiply by laying eggs. This is a great threat to food security.

For these reasons there was heightened activity in 2019 by the Board and the Management of the Association in addressing these challenges.

The Board is and will continue implementing its mandate in the areas of stewardship, regulatory, anti-counterfeit and advocacy in order to ensure a fair and sustainable business environment for the industry in pursuit of development of agriculture in Kenya.



Addressing the challenges

To solve the above challenges:

- VAT
Through advocacy and lobbying efforts by the Board, the government rescinded its decision to exempt agricultural pesticides from VAT but instead zero-rated them. This was a big win for the industry and wish to thank all members for supporting these efforts. However, we still have a challenge with insecticides for use in public health which still attract VAT. We have provided justification why the products should be zero-rated to the relevant authorities for consideration.
- Anti-Pesticides Campaign
The negative campaign against pesticides is not relenting since it started in the month of June, 2019. It is well-funded global campaign with network of NGOs. The group in Kenya led by Route to Food Initiative petition 262 PCPs in parliament seeking to ban.

AAK and the Technical Working Group presented a work plan to CEOs in September, 2019 as a proactive strategy to proactively counteract the negative publicity. A lot have been achieved in the work plan ranging from putting facts straight and clarification of misleading information to the general public to making written and oral submissions to the departmental committee of parliament on the petition sponsored by Hon. Shollei to ban 262 PCPs.

It is prudent to report that the progress of the petition seems to have factored in the AAK submissions as per the report of the departmental committee of health to be discussion in the plenary of parliament. AAK and the TWG is still very keen to ensure the discussions of the report in Parliament will not lead to negative amendments.

- Pre-Export Verification of Conformity to the standards (PVoC)
Fruitful discussions held between the Cabinet Secretary – Ministry of Agriculture, Livestock, Fisheries and Irrigation – Hon Peter Munya, the Agrochemicals Association of Kenya (AAK) and the Veterinary Inputs Suppliers Association of Kenya (VISAK) led to exemption of Pest Control Products (PCPS), veterinary medicines, and seeds from the requirements of PVoC.
- Public Participation on PCP Bill
The proposed amendments to the Pest Control Products Act which begun in 2017 have finally progressed to public participation as required by the Statutory Instruments Act. Public participation is almost being completed in all counties and stakeholder views will be evaluated and presented to the Ministry for further amendment. It is hoped the process shall be finalized in 2021.



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- Emerging issues and government policies
AAK is working closely with the government ministries and agencies to ensure that policies instituted are favorable, conducive and not road-blocks to progress of the industry. The new PCP Bill and regulations will be a game changer in addressing some challenges facing the industry including counterfeiters, presence of quacks in some agrovets and handling of Empty pesticide containers (EPC). The new regulations by the Ministry of Environment dubbed Extended Producer Responsibility is coming strongly to ensure producers and users of PCPs takes responsibility for the EPC for cleaner environment. In readiness to comply and bring sanity on disposal and recycling of EPC, AAK conducted a study of the quantities and types of plastic generated by the industry.

Emerging new pests and diseases affecting agriculture such as the Locusts, FAW, *Tuta absoluta* and the most current, snails in rice fields requires specific policy to handle their emergence in a guided way. AAK is working with the Ministry of Agriculture, PCPB and KEPHIS to ensure such a policy exist.

- Corporate Social Responsibility (CSR)
Corporate Social Responsibility (CSR) program is one of the activities being undertaken is re-forestation of the Mau Forest which is an important water catchment area that serve a huge part of the population in Kenya. The Agrochemicals Association of Kenya (AAK) entered into a partnership with Kenya Forest Services (KFS) and Community Forest Association (CFA) to rehabilitate a 100-acre section of the Mau Forest in Likia. To reach this goal, the association is planning to plant more trees in the month of November. We are therefore calling upon members to support this CSR activity by committing to plant one acre or more. One acre will cost Kshs.25, 000/= only
- Partners
 - We have worked closely with Kenya Crop and Dairy Market Systems (USAID/RTI) for the training of Spray Service Providers in 5 Counties of Busia, Siaya, Makueni, Kitui and Taveta. The 392 SSPS trained are offering services to farmers and form the backbone of the proposed Makueni County Fruit Fly Pest Free Area which was launched in Early 2020
 - Kenya Markets Trust (KMT) together with AAK are now disseminating information to farmer through digital platforms as a result of COVID-19 Pandemic. Message delivery done through bulk SMS and video production is ongoing to enable farmers' access responsible use messages despite limited field activities.
Previously in 2019, KMT supported the staging of agrodealer meetings in 10 Counties. The meetings discussed issues of mutual interest such as supply chain constraints, responsible use and fight against counterfeits. Accreditation of agrodealers is a key activity in the fight against counterfeits. In 2019, AAK explored the possibilities of having joint accreditation with other regulators and input



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suppliers such as of seed, fertilizer and veterinary products. The agrodealer is the central outlet for these inputs and a concerted effort by the regulators and suppliers in this space is necessary to reduce counterfeits and encourage best practice among the stockists. AAK is also pushing for the formation of County and regional agrodealer associations which shall eventually be encouraged to be part of AAK as affiliate members. This shall complete the AAK membership spectrum by bringing on board the resellers at the grassroot level.

- Business Advocacy fund; BAF were key in the development of capacity at the secretariat for enhanced compliance with good practice. They went further and partnered with AAK to facilitate the PCP bill and regulations Regulatory Impact Assessment, tax compliance reviews and sponsored a study on Empty pesticide Containers in Kenya. The report from the EPC study places the quantity of plastic generated by industry at about 1,400 Tones and the most common disposal practices were just throwing it away on farm and burning. The report shall set the pace for the mainstreaming of the circular economy as envisioned by the Ministry of Environment and Forestry in its Extended Producer Responsibility Draft regulations.

Other significant partners have been the National Irrigation Board, the National Potato Council of Kenya, Cereal Growers Association, Royal Dutch Embassy, Royal Dutch Embassy in SSP development and farmer training.

- COVID-19
The supply of agrochemicals was classified as an Essential services and this enabled industry to maintain the supply of much needed inputs for agricultural production. AAK was able to assist members in this pandemic by issuance of window stickers and identification badges for all staff who required movement in and out of Nairobi metropolitan area.

Stewardship remains a key objective of the association and several issues emanated in the year. Obsolete stocks management were identified in 2 government agricultural agencies with a total weight of about 30 Tons. 25 tons were safely disposed and the remainder is in the process of being safeguarded. Members, I urge you to undertake responsible supplying of products to ensure there is no stockpiling which easily leads to obsolete stocks. The revalidation of products lacks clear guidelines at PCPB and this is a key advocacy agenda going forward.

The use of Personal Protective Equipment by pesticide applicators was brought to the limelight in 2019. Access to PPE is a top advocacy agenda with the demand being affordable and quality PPE for all applicators.

Spray Service Providers are an alternate strategy to ensuring proper application and compliance with responsible pesticide use guidelines. The push to streamline SSPs is gaining momentum



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with some of the recommendations in the Proposed PCP Act being the use of trained applicators only and the employees of agrovets to be professional staff. The SSP concept has been adopted by the Ministry of Agriculture and the 1,000 and we are partnering to scale up the training and deployment of SSPs across the different value chains especially fruits and vegetable production. This move will address the issues of food safety, resistance management and Empty Pesticide container management which are areas of concern currently.

The management of Empty Pesticide Containers has been given direction by the Extended Producer Responsibility draft regulations. Other manufacturing sector players are taking proactive steps for compliance and AAK is not being left behind. Member awareness has been done on the regulations as well as submission of a memorandum with industry views on the draft regulations. The next step is the formation of a Producer Responsibility Organization which shall deal with the actual implementation of the Container management with the ultimate goal being the recycling of all collected plastic containers and other waste generated by industry.

As we move to 2021, I would like to assure members, of the Board's commitment to pursuing various dialogues with government and other stakeholders on the various issues that affect our industry.

Thank you.