Kenya Plant Health
Inspectorate Service

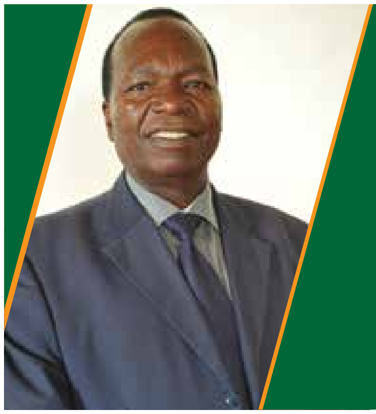
Annual Report and Financial Statements for the year ended 2014

Contents

Abbreviations

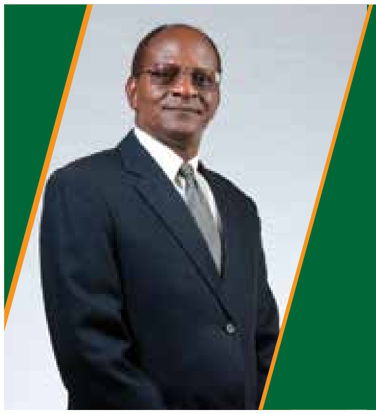
AAFA –Agriculture, Fisheries and Food Authority
ACL – Analytical Chemistry Laboratory
AGOA –African Growth and Opportunity Act
AQIS –Australian Quarantine and Inspection Service
ASDS – Agriculture Sector Development Strategy
ASSIP -K –Automated Support System for the Importation of Phytosanitary Consignments - Kenya
BIT – Bilateral Investment Treaty
CIP – International Potato Centre
COMESA – Common Market for Eastern and Southern Africa
COPE – Centre of Phytosanitary Excellence
CPM – Commission on Phytosanitary Measures
CSR – Corporate Social Responsibility
DVS – Directorate of Veterinary Services
EAC – East African Community
ECS – Electronic Certification System
EU – European Union
FPEAK – Fresh Produce Exporters Association of Kenya
GMOs – Genetically Modified Organisms
HCD – Horticultural Crops Directorate
ICT – Information, Communication and Technology
IPPC – International Plant Protection Convention
ISPM – International Standards for Phytosanitary Measures
ISTA – International Seed Testing Association
KALRO – Kenya Agricultural and Livestock Research Organization
KENAS – Kenya National Accreditation Service
KEBS – Kenya Bureau of Standards
KENTRADE – Kenya Trade Network Agency
KFC – Kenya Flower Council
KSTCIE – Kenya Standing Technical Committee on Imports and Exports
KTDA – Kenya Tea Development Authority
MTP – Medium Term Plan
PBRs – Plant Breeders rights
NPPO – National Plant Protection Organization
NPTC – National Performance Trials Committee
NPTs – National Performance Trials
NVRC – National Variety Release Committee
MRLs – Maximum Residue Limits
MTP – Medium Term Plan
OECD – Organization for Economic Cooperation and Development
PCPB – Pest Control Products Board
PIMS – Pest Information Management Systems
PIP – Plant Import Permit
PQBS – Plant Quarantine and Bio-security Station
PRA – Pest Risk Analysis
SANAS – South African National Accreditation System
SMAP – Standards and Market Access Programme
SPS – Sanitary and Phytosanitary
STAK – Seed Trade Association of Kenya
TBD – Tea Board Directorate
UPOV – Union for the Protection of New Varieties of Plants
WTO – World Trade Organization
WTO-SPS – World Trade Organization – Sanitary and Phytosanitary Measures
USAID – United States Agency for International Development
USDA – APHIS - United States Department of Agriculture- Animal and Plant Health Inspection Service
NBA – National Biosafety Authority
NTH – National Taskforce on Horticulture

Board of Directors



Prof. Daniel M. Mukunya (70) is the Chair of the Board of Directors. He is a Professor of Plant Pathology, having taught the subject and the discipline from 1973 to date. He has been in the Board since 2011.

Mrs Serah N. Kinyua (58) is a Human Resource Specialist and has been a member of the Board since 2009. In the board she is the chair of the finance and administration committee. She is also a Commissioner at the Salaries and Remuneration Commission. Previously, she was Chief Human Resource Manager at the Teachers Service Commission.



Mr Joseph K. Nthiwa(65) has been a board member since 2009. He is an Engineering and Construction Specialist.

Mr Joseph Kariuki is the Alternate to the Principal Secretary at The National Treasury. He is an economist at The Treasury with wide experience in public sector management. He has worked for more than 26 years in various senior positions in government. He has been in the Board since 2012.

Board of Directors

Mr. Patrick K. B. Afande (54) is a Governance Specialist and has been a board member since 2009. He was the Principal/Administrator of St Mary's Teacher's College, Taita Taveta County and Honorary National Chairman of the Kenya Teacher's Colleges Sports Association.

Mr Joseph Ng'etich (56) has been a board member since 2013. He is the Alternate Director to the Principal Secretary, State Department of Agriculture in the Ministry of Agriculture, Livestock and fisheries. He is a Director of Agriculture in the State Department of Agriculture.

Dr James M. Onsando (58) is the Managing Director and Secretary to the Board. He is a Plant Pathologist and was appointed MD in 2010.

(Not in the picture)
Mr Reuben K. Yegon (63) is an Accounting Expert (CPA and CPS) and has been in the board since 2013.

Senior Management Staff

General Manager, Phytosanitary Services	Dr. Esther Kimani
General Manager, Finance & Administration	Mr. Stephen Ithili
General Manager, Quality Assurance	Mr. Simeon Kibet

REGIONAL MANAGERS AND OFFICERS IN CHARGE

Regional Manager, Mombasa	Mr. James Wahome
Regional Manager, Nakuru	Mr. Jacob Cheptaiwa
Regional Manager, Kitale	Mr. Alfred Musuya
Officer in Charge, Kisumu	Mr. Francis Furaha
Officer in Charge, Plant Inspection Unit – JKIA	Mr. Kennedy Onchuru
Officer in Charge, Plant Quarantine & Bio-security Station	Mr. Francis Mwatuni
Officer in Charge, Embu	Mr. Joash Nyaribo
Officer in Charge, Naivasha	Ms. Faith Ndunge

HEADS OF SECTIONS

Ag. Head Legal & Public Affairs	Mr Joseph Kigamwa
Head, Seed Certification & Plant Variety Protection	Mr. Simon Maina
Head, Phytosanitary & Bio-security Services	Mr. Abed Kagundu
Head, Analytical Chemistry Laboratory & Technical Personal Assistant to the MD	Ms. Lucy Namu
Head, Planning & Implementation	Mr. Nicholas Tunya
Coordinator, Trade & Standards	Mr. Phillip Njoroge
Head, Finance	Mr. Bartonjo Cheptarus
Head, Human Resource Development	Ms. Beth Mburai
Coordinator, Projects	Mr. Joseph Kigamwa
Head, Procurement	Mr. Charles Kamau
Head, Internal Audit	Mr. Samuel Okoth
Head, Information Communication &Technology	Mr. James Aboge
Head, Transport	Mr. Stephen Kariuki
PR & Communications Officer	Ms. Catherine Muraguri

Chairman's Statement

> KEPHIS has continued to grow despite challenges noted in the horticulture sub-sector, specifically notifications of exceedances of maximum residue limits and the presence of harmful organisms in produce destined for our key EU market.

Prof. Daniel M. Mukunya

The Government of Kenya recognizes the importance of agriculture as the backbone of Kenya's economy that plays a key role in enhancing Kenya's economic growth and development. Agriculture contributes directly 26 per cent to the Gross Domestic Product (GDP) and provides over 60% of all employment in Kenya. The New Partnership for Africa's Development (NEPAD) in 2001 made clear the critical role agriculture plays in pursuing real and sustainable growth; this was further emphasized by the Maputo declaration that requires governments to increase the budgetary allocation to the agricultural sector to 10% of GDP. Agriculture is not only important to economic growth but is also the determinant of equity in development and fundamental to reducing poverty and hunger. This has been captured in Kenya's key policy documents like The Constitution of Kenya, the Kenya Vision 2030 and the Agriculture Sector Development Strategy. KEPHIS implements these national goals through its Strategic Plan (2012/2013-2017/2018).

The 2013-2014 period saw the ushering in the policies of the new government and the Jubilee manifesto that focuses on marginalized sections of the society such as women, the youth, persons with disabilities and other marginalized groups. The Corporation has ensured that it takes care of these members of society by incorporating them in a number of activities such as the policy that 30% of all tenders be given to the youth. In the next financial year, more will be done to support these groups through deliberate recruitment of qualified persons and more procurement opportunities.

Continued growth

In the past year, KEPHIS has continued to grow despite challenges noted in the horticulture sub-sector, specifically notifications of exceedances of maximum residue limits and the presence of harmful organisms in produce destined for our key EU market. The growth has been made possible by the guidance and vision provided by the Board of Directors and implemented by the KEPHIS Management and staff. Indeed, the massive contribution by all staff throughout the year in all KEPHIS stations is noted and commended.

Release of new varieties

Release of new varieties of crops continues to be a pillar of KEPHIS work through the Plant Variety Protection department. During the year, 47 varieties were released into the market. The varieties the included Maize, Irish potatoes, Wheat, Paddy rice, Soya beans and Common beans. In particular, the maize varieties will try to address the Maize Lethal Necrosis Disease (MLND) that has affected Kenya's staple crop countrywide.

Facilitation of international plant trade

I am aware of the role that KEPHIS plays in facilitating trade of agricultural commodities locally and internationally. In the period under review, the Corporation ensured support for the horticultural industry through rigorous inspections of plant material at points of entry and exit. Overall, Kenya's trade in agricultural commodities managed to go over KES 200 billion in foreign exchange and this is expected to increase with the government's implementation of a number of key strategic projects. Centre of Phytosanitary Excellence(COPE) KEPHIS still remains a centre of phytosanitary (plant health) excellence in the region. Through its COPE program and in collaboration with other stakeholders, 130 sanitary and phytosanitary experts were trained from Kenya and the greater EAC region. This is expected to improve the plant health capacity of other regulatory agencies in the region and raise agricultural market standards of plant material produced and traded within the East, Central, Southern African and global markets.

Appreciation
In conclusion, on behalf of the KEPHIS Board, I take this opportunity to recognize the support given by the Ministry of Agriculture, Livestock and Fisheries, stakeholders in the sector and other partners. The input given by these entities has enabled the Corporation to deliver its mandate and quality service Kenyans and the International community in general. As is our tradition, the Corporation will continue to endeavour with the same spirit of Protecting Kenya's Agriculture.

Thank you.

Prof. Daniel Mukunya
Chairperson, Board of Directors
Kenya Plant Health Inspectorate Service (KEPHIS)

Managing Director's Statement

“KEPHIS takes into cognizance the importance of assuring the quality of agricultural inputs for the Kenyan farmer.”

Dr. James M. Onsando

In 2013– 2014, KEPHIS achieved major strides in providing regulatory services to clients and stakeholders and delivering on its mandate to key sectors of the country's economy. Indeed, the Corporation fully supports efforts by the national government through the Ministry of Agriculture, Livestock and Fisheries of fully implementing its key strategic thrusts that encompass protection of Kenya's plant resources, agricultural productivity and agricultural trade facilitation. All these are contained in the KEPHIS Strategic Plan 2012/2013-2017/2018 and the approved annual work plan.

Plant Variety Protection

KEPHIS takes into cognizance the importance of assuring the quality of agricultural inputs for the Kenyan farmer. During the period under review, the Corporation undertook activities on plant variety protection that led to the issuance of 19 PBRs. Eighty-five applications were received and processed during the year of which 35 were roses followed by 16 for Irish potatoes. This clearly indicates the un-derlying importance of the horticulture industry that is a major contributor to the country's economic growth, earning the country approximately KES 90 billion yearly in foreign exchange.

Three hundred and seventy-eight candidate crop varieties went through the National Performance Trials to test for suitability and economic viability as compared to 369 last year. During the period, KEPHIS recommended for release and gazetted 44varieties of various crops as compared to 42 last year. Irish potato overtook Maize at the helm with 15 varieties and the latter having 10 followed by sugar-cane (9). This is due to the government's efforts to step up production of potatoes and other crops and minimize over-reliance of maize.

Drought tolerant varieties

Ten drought tolerant varieties were released in the year that included cowpea, soya beans and common beans. There has been a remarkable growth in the seed sub-sector in the past one year especially in the potato seed business aimed towards increased production of quality seed. KEPHIS continues to work closely with key players in the industry for sustained benefits to local farmers.

Seed certification plays a significant part in Kenya's food security needs. In 2013/2014, there were 25,749.92 hectares inspected as compared to 39,047 in 2012/2013. The drop was mainly due to drought and carry-over seed stock leading to cutbacks by seed merchants. Despite this, there was an increase in hectares of seed crop inspected under irrigation to a total of 7,125.27 hectares. Overall,38,231,917.21kilogrammes of seed was inspected for processing representing a 12% decrease as compared to last year. The drop was consistent with the reduction in hectares of seed crop cultivated during the year.

The National Seed Policy

The National Seed Policy continues to be implemented and this has contributed positively to the steady growth of the seed sector. In the current year, 18 new seed merchants were registered bringing the total number of merchants registered by KEPHIS to 127. This growth is expected to spur the market further by providing more seed to farmers. The country also supported neighbouring countries in terms of seed supply. 1,777,169.89 kilogrammes of seed was exported as compared to 1,821,265.69 kilogrammes last year. Major destinations included Botswana, Burundi, Ethiopia, Madagascar, Somalia, South Sudan, Tanzania and Uganda.

Ensuring Quality produce for local and global markets

Apart from ensuring quality inputs to farmers, KEPHIS also assures quality produce for the local and international markets. This is made possible through our globally accredited laboratories spread around the country. In the current year, the PQBS laboratory was assessed and accredited by KENAS to the ISO/IEC 17025:2005 standard. This means services offered at the laboratory are world class and designed to meet the needs of assuring high quality of inputs and produce destined for all markets.

Three thousand, one hundred and seventy seven samples were analyzed during the year as compared to 3,162 in 2012/2013. The Corporation continues to implement the national residue monitoring program for MRLs to ensure that Kenyan fresh produce meets minimum set standards.

During the period, the Corporation facilitated trade of plant produce to all markets. This was made possible by KEPHIS active participation in a number of trade pacts and membership to international bodies. These included OECD Fruit and Vegetable Schemes and OECD Seed and OECD Forestry Seed Schemes. In addition, KEPHIS has been involved in standard setting work under WTO-SPS, CPM, Codex Alimentarius Commission, COMESA, OECD and EAC meetings.

Information, Communication and Technology

The Corporation continues to embrace ICT to enhance service delivery and it expanded the Electronic Certification System (ECS) to include carnations; the system can also support export of other commodities like fruits and vegetables. This totalled to three commodity groups added. The ASSIP-Kenya project which will electronically facilitate the import of plants and plant materials is expected to be rolled out in the next financial year. Moreover, KEPHIS wholly supports the integration process of the KEPHIS ICT systems to the Kenya National Single Window System (KENASWS).

Stakeholder Engagements

As a regularly agency, KEPHIS continually engages with its stakeholders. Our gratitude goes to the government through the Ministry of Agriculture, Livestock and Fisheries, other government bodies, international partners who included EU, USAID, CABI, CIP, COMESA, FANRPAN, to mention a few for their invaluable support during the year. Support given by the private sector through STAK, KFC and FPEAK continues to be a major boost in ensuring that KEPHIS serves its clients better.

Crucial role played by staff

KEPHIS recognizes the crucial role played by staff. In a survey conducted on the work environment the Corporation achieved a score of 80%, while on employee satisfaction i.e. promotions, career advancement, increased opportunities for training and recognition for performance; an exit survey showed the Corporation achieved a score of 64.%. The KEPHIS management highly appreciates the efforts every member of the KEPHIS team for their tireless efforts and commitment to duty which saw it possible to make all the achievements for the year. The KEPHIS management shall continue to ensure its highly valued resource is rewarded where appropriate to ensure sustained motivation.

Appreciation

Finally, take this opportunity to thank all our customers for the support given during the year. As we embark on the 2014/2015 financial year, KEPHIS shall strive to work closely with all local and international stakeholders in the agricultural sector with the view of providing top notch regulatory services towards the common goal of promoting food security and sustained economic development for Kenya and the international community.

Thank you.

Dr. James M. Onsando
MD & Secretary to the Board
Kenya Plant Health Inspectorate Service (KEPHIS)

VISION
The Lead Regulator and Facilitator of Globally Competitive Agriculture

MISSION
To Provide a Science-based Regulatory Service by Assuring Quality of Agricultural Inputs and Produce to Promote Food Security and Sustainable Development

CORE VALUES
In providing services, KEPHIS is committed to good governance guided by:

- Customer focus
- Integrity
- Teamwork
- Innovation and creativity
- Professionalism
- Corporate Social Responsibility

ISO POLICY STATEMENT
KEPHIS is a regulatory body mandated to undertake quality assurance services of agricultural inputs, plant variety protection and plant health.

The KEPHIS Board of Directors, management and staff are committed to full implementation of ISO 9001:2008 standard requirements in service delivery. This is a deliberate strategic decision to enhance achievement of its vision, mission, goals and objectives.

In pursuit of the above commitment KEPHIS:

- Seeks to understand and address the dynamic needs and requirements of its customers and stakeholders in line with its mandate.
- Provides and manages the resources needed for maintaining compliance to the standard and continual improvement.
- Ensures that the Quality Management Systems and its requirements are communicated to and understood by staff.
- Provides a framework for establishing and reviewing its quality objectives for continued suitability of service.

The above commitments are geared towards meeting and even exceeding customer needs and expectations.

KEPHIS inspectors inspecting wheat from Russia: All plant materials entering Kenya through all the ports of entry are subject to inspection done to verify conformity to Kenya's plant import requirements

PHYTOSANITARY SERVICES

INSPECTION OF IMPORTED PLANT MATERIALS

The Corporation has always endeavoured to safeguard against the introduction of harmful organisms through undertaking phytosanitary controls at ports of entry and exit. This is in order to minimize the risks of pests entry through exchange of plant materials through these points. All plant materials entering the country through all the ports of entry are subjected to inspection, done to verify conformity to Kenya's import requirements before release to importers or allowing entry into the country.

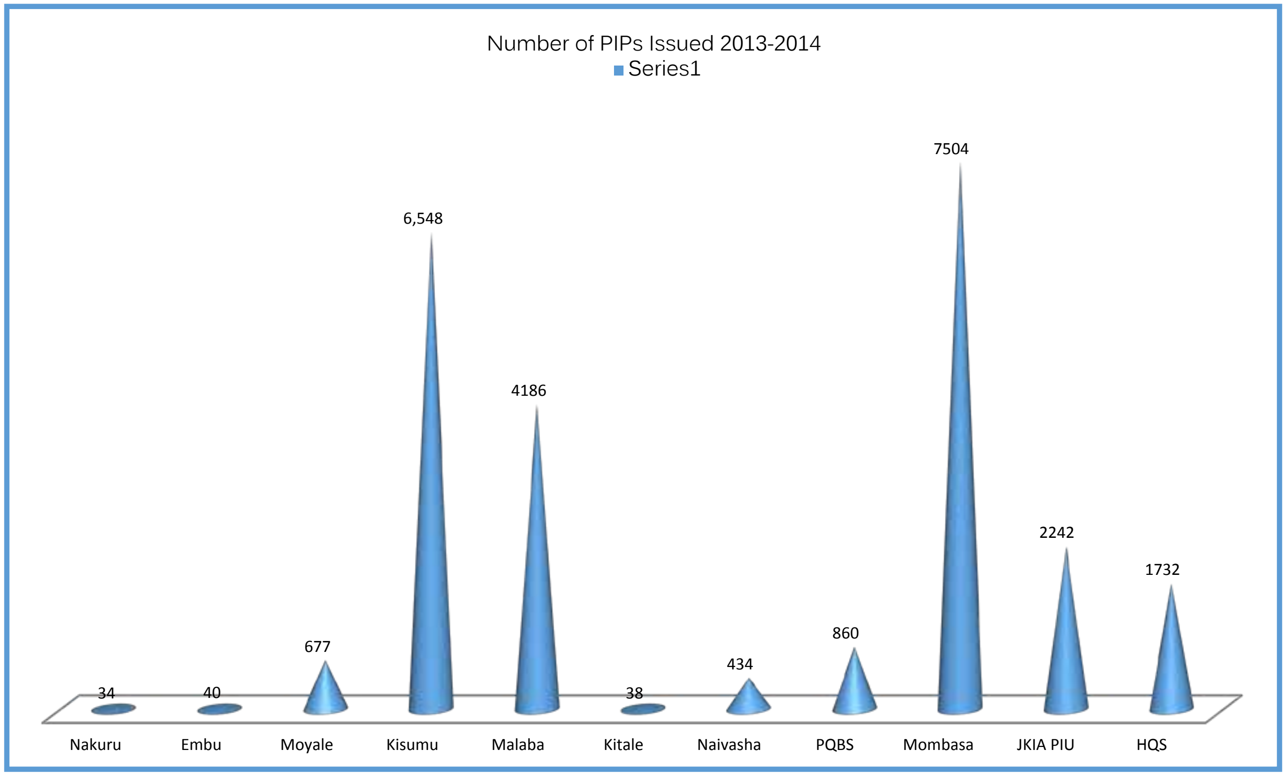


Figure 1

To facilitate importation, Plant Import Permits (PIPs) were issued at different KEPHIS stations and offices as indicated in the **Figure 1**. 24, 295 PIPs were issued during the year as compared to 15,225 in 2012-2013 and 23,899 PIPs in 2011 – 2012 respectively.

Common Name	Botanical name	Total Weight in KGS 2012-2013	Total Weight in KGS 2013-2014
Beans	Phaseolus vulgaris	35,437,500	12,158,250
Soya Beans	Glycine max	-	436,400
Maize	Zea mays	1,184,000	76,000
Wheat	Triticum aestivum	2,405,000	646,000
Ginger roots	Zingiber officinale	850,000	426,750
Peas	Pisum sativum	17,000	
Garlic	Allium sativum	10,000	
Coriander	Coriandrum sativa	304,000	29,000
Turmeric	Curcuma longa	270,000	137,500
Arab gum	Accacia senegal	48,500	
Lentils	Lens culinaris	140,000	23,500
Sorghum	Sorghum bicolor	260,000	
Onions	Allium sepa	76,000	
Finger Millet	Eleusine coracana	110,000	180,000
Shiro		-	20,500
Mirra		2,675,000	744,000
Fruits & Vegetables	-	640,000	593,160
Total		**44,427,000**	**15,471,060**

Table 1: Import inspections at Moyale border point

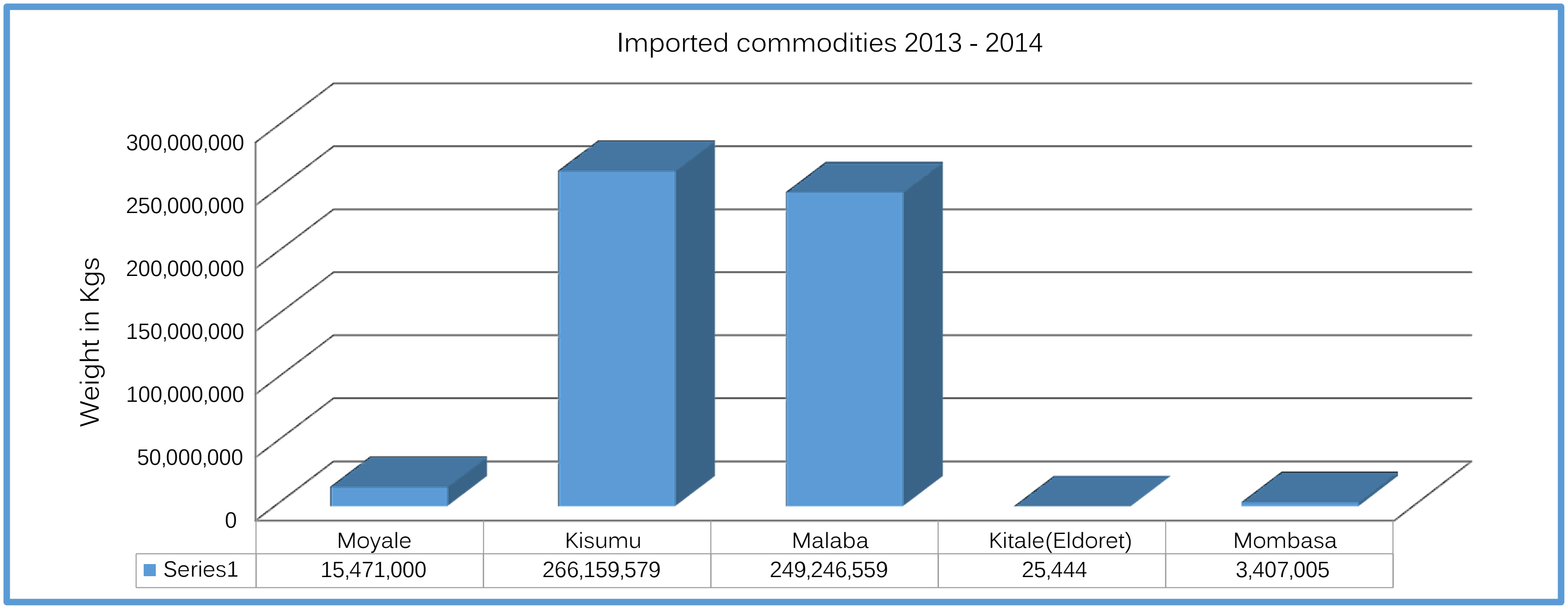
Commodity	1st Quarter tonnage(Kgs)	2nd Quarter tonnage(Kgs)	3rd Quarter tonnage(Kgs)	4th Quarter tonnage(Kgs)	Total tonnage (Kgs)
Processed Tea	13,631,845	22,930,058	19,806,208	24,825,219	**81,193,330**
Treated wooden poles	1,415,200	2,286,000	436,500	157,500	**4,295,200**
Soya Beans	111,000	145,000	0	10,000	**266,000**
Wheat Bran	7,368,060	4,542,410	4,098,520	4,615,000	**20,623,990**
Watermelon	40,000	326,000	0	50,000	**416,000**
Sesame	0	384,000	2,288,600	240,000	**2,912,600**
Banana's	1,150,000	1,246,000	1,720,000	2,240,000	**6,356,000**
Cofee Husks	69,000	20,000	106,000	65,000	**260,000**
Tobacco	3,808,328	11,302,037	3,146,980	249,282	**18,506,627**
Cotton Seed Cake	701,930	446,670	700,390	289,860	**2,138,850**
Sunflower seed Cake	435,000	20,000	548,120	1,860,980	**2,864,100**
Maize Grains	7,991,755	3,538,719	17,184,780	16,016,000	**44,731,254**
Maize bran	4,205,000	2,562,000	2,567,120	2,624,000	**11,958,120**
Cotton lint	204,498	41,000	1,028,354	811,712	**2,085,564**
Moringa seeds	56,080	15,050	30,000	30,000	**131,130**
Particle wood products	2,155,560	1,519,125	1,846,000	1,202,000	**6,722,685**
Beans	2,996,527	8,172,440	299,315	1,603,000	**13,071,282**
Finger Millet	180,000	78,000	0	0	**258,000**
Rice Bran	3,047,080	2,862,000	1,424,000	1,550,000	**8,883,080**
Dried Cassava	109,000	87,000	110,000	140,000	**446,000**
Pineapples	2,408,000	2,840,000	3,670,000	2,268,000	**11,186,000**
Coffee	62,129	8,000	66,719	24,460	**161,308**
Shea Nuts	75,000	10,000	0	0	**85,000**
Onions	0	7,000	0	0	**7,000**
Soya Seed Cake	3,118,019	4,202,280	388,010	422,130	**8,130,439**
Pawpaw	60,000	372,000	220,000	360,000	**1,012,000**
Oranges	0	405,000	0	0	**405,000**
Mangoes	10,000	0	0	130,000	**140,000**
Total	**55,409,011**	**70,367,789**	**61,685,616**	**61,784,143**	**249,246,559**

Table 2: Import through Malaba border post

Quantities and items imported in the year

Figure 2 shows the quantities of imported plant materials through the various entry/exit points. The consignments were allowed entry after phytosanitary inspections and compliance to Kenya's import regulations.

Figure 2: Quantities of imported commodities



Beans was one of the commodities imported into the country in the year under review

Importation of Biological Controls and Regulated Articles

KEPHIS is the Secretariat to the Kenya Standing Technical Committee on Imports and Exports (KSTCIE) whose role is to facilitate the safe production, export, import and release of biological control agents and other beneficial organisms as well as live microorganisms and products containing live organisms. To support compliance with national bio-safety and bio-security requirements, the Corporation coordinates evaluation of applications to introduce bio-control agents and products.

All applications that met required criteria were evaluated by the KSTCIE sub-committee which made recommendations to the main committee on satisfactory applications. In the same spirit of safeguarding against the introduction of harmful organisms, assessments to facilitate the introduction of biological products were done to ensure that only high quality inputs and safe organisms and products are introduced into the country. This is done through evaluating risks for applications by the KSTCIE.A number of committee meetings were organized to evaluate the applications for purposes of approval or rejection of the importations. During the period, 4 KSTCIE meetings were held on 3rd October 2013, 8th January 2014, 25th March 2014 and 26th June 2014. Sixty two applications were discussed and 58 granted approval by the committee for efficacy/performance trials by research institutions. To ensure compliance with national bio-safety and bio-security requirements, KEPHIS had targeted to inspect 16 containment facilities in the contract period. Twenty-two facilities were inspected under the following categories:

i. Producing /multiplying biological material and/or organisms - 6 facilities
ii. Research and/or release of approved biological organisms and products by KSTCIE- 16 facilities

Table 3: List of approved applications

Applicant (Product Name)	Product Type/ Category	Active Ingredient/Scientific Names	Target Organism/ Crop	Intended Use/ Purpose	Country of Origin
ICIPE	endoparasitoid	Chrysochalisflacilla	Liriomyza spp: vegetable production systems	Research (field release)	Peru
Syngenta	pathogenic organisms	Xanthomonashortorumpvpelargonii and Ralstoniasolanacereum race 3 biovar 2, Ralstonia(positive controls)		research	The Netherlands
Koppert Biological Systems (Macromite)	biological control	Macrochelesrobustulus	Thrips	Commercialization	The Netherlands
Sanergy Ltd (Fresh Farms Organic)	Organic	organic waste and treated biosolids		Commercialization	Local
Sanergy Ltd (Fresh Farms Struvite)	Organic	organic waste and treated biosolids		Commercialization	Local
Sanergy Ltd (Fresh Farms Liquifert)	Organic	organic waste and treated biosolids		Commercialization	Local
Rhizobacter Argentina (Rizoliq Top Beans)	Inoculant	Rhizobium tropici strains (Rhizobium tropici SEMIA 4077 and 4080)	beans (Phaseolus vulgaris)	commercialization	Argentina
Rhizobacter Argentina (RilegumTop Peas)	Inoculant	Rhizobium leguminosarumbv. Viciae D70	Pea (Pisumsativum), vetch (Vicia sp.) and lentil (Lens culinalis).	commercialization	Argentina
Real IPM Limited	biological control	Fusarium oxysporum isolate FK3	Striga weed	extension trials	Local
Eco Group International Plant Nutriment (LPN) and)	Soil Enhancer			efficacy trials then commercialsiation	USA

ISO 9001:2008 Certified

Eco Group International Soil Oxygen Supplement (SOS	Soil Enhancer			efficacy trials then commercialization	USA
IITA 7 products; Golden Harvest Plus Harvest More Urea Mate Harvest More Golden Harvest Plus 5-18-2 Plus Harvest More Urea Mate Micromate Calcium Fortified Mix Bioforge Nitroplus 9	Inorganic	Contain Macro elements		Research	USA
IITA OD	Seed coat	Penicilliumbilaiistrain PK 112		Research	USA
IITA Rhizovital 42 TB from	Enhancer	Bacillus amyloliquefaciens sp. plantarum, strain FZB42		Research	Germany
Tosheka Textiles Ltd	-	eri silkworm (Samiacynthia Drury	silk -worm production	Research and Commercialization	Ethiopia
EzyLife Kenya Ltd Ezygrow	Seed inoculant	Trichodermaharzianum strains		Commercialization	USA
Tiger Brands (K) Ltd Cropsil	growth promoter	soluble silica ,sorbitol, stabilizer , silver and demineralized water		commercialization	India
Genetics Technologies International Ltd Nematox	Bio-pesticide	Paecilomyceslilacinus IIHR-PL-2	nematodes	Commercialization	India
Genetics Technologies International Ltd Trichozen T and Tricin containing	Bio-pesticide	Trichodermaviridae	Soil borne pathogens	Commercialization	India
Genetics Technologies International Ltd Spider	Bio-pesticide	VerticilliumlecaniiStrain: SBTVI 001	Whiteflies	Commercialization	India

Genetics Technologies International Ltd Grant	Bio-pesticide	Bacillus thurigensisvarkurstaki Serotype 3a 3b 3c; Strain Dor Bt-1	castor semi-loopers	Commercialization	India
Genetics Technologies International Ltd BBC	Bio-pesticide	Beauveriabassiana strain SBTBb 001	bollworms	Commercialization	India
Genetics Technologies International Ltd Florezen P and Florezen Plus	Bio-pesticide	Pseudomonas fluorescens	foliar and soil borne pathogens	Commercialization	India
Genetics Technologies International Ltd Raksha	Bio-pesticide	Trichodermaharzianum IIHR-TH-2	nematodes and wilt causing fungi in Tomato and Okra	Commercialization	India
Genetics Technologies International Ltd Metrocid	Bio-pesticide	Metarhiziumanisopliae strain: SBTMa 001	brown leaf hoppers	Commercialization	India
Neptunus International – Kenya Bioplus	biofertiliser	seaweed extract		Commercialization	India

List of Inspected Facilities Holding Quarantine Material

No.	Applicant	Product Name	Product Type/ Category	Active ingredient / micro-organisms present	Target Organism / Crop	Country of Origin
1	Elgon Kenya Limited	HYT efficiency	Bio-fertilizer	A no. of live non-pathogenic soil microorganisms		Norway
2	Elgon (K) Ltd	HYT Nutrition	Bio-stimulant	Free L-amino acids, Chitin and its derivatives, Enzymatic complex, lactic acid, polysaccharides, carbohydrates and water		Norway
3	Surgilinks Ltd	Mycorrhizalbiofertilizer	biofertilizer	VesicularArbuscularMycorrhiza (VAM) - Glomus spp.		India

Table 4: List of Inspected Facilities Holding Quarantine Material

List of Inspected Facilities Holding Quarantine Material

No.	Name of applicant	Location of the facility	Organism/ product	Nature of activity
1	Wanda Organic	Machakos	Plant mate & Prime EC	Field trials (maize and beans)
2	Wanda Organic	Naivasha	Plant mate & Prime EC	Field trials (Maize, baby spinach)
3	Wanda Organic	Kabete	Plant mate & Prime EC	Field trials (Beans and maize)
4	Bayer East Africa	KALRO -Tigoni	Rilegum Top and Rizoliq Top	Field trials (French beans, beans and peas)
5	Bayer East Africa	Mau-Narok	Rizoliq Top	Field trials (wheat and barley)
6	Bayer East Africa	KALRO -Njoro	Rizoliq Top	Field trials (wheat and barley)
7	Icipe	Loitokitok	Chrysochalisflacilla	Field Release of leafminer parasitoid
8	Icipe	Kibwezi	Chrysochalisflacilla	Field Release of leafminer parasitoid
9	Icipe	Naro moru	Chrysochalisflacilla	Field Release of leafminer parasitoid
10	Tiger brands	Tigoni	Cropsil	Efficacy Trials (growth promoter on spinach and)
11	Tiger brands	Mwea	Cropsil	Efficacy Trials (growth promoter)
12	EzyLife Kenya	Molo	Ezyseed	Efficacy trials
13	EzyLife Kenya	Bomet	Ezyseed	Efficacy trials
14	EzyLife Kenya	Njabini	Ezyseed	Efficacy trials
15	Syngenta east Africa	ILRI-BecA (Nairobi)	Ralstoniasolanacereum race 3 biovar 2 Xanthomonashortorumpv. pelargonii	Testing of organisms as positive controls
16	Egerton University	Nakuru		Approval for laboratory to carry out evaluation of approved products

Table 5: List of Inspected Facilities Holding Quarantine Material

Import Interceptions

Imported commodities are expected to meet the standards and import requirements of Kenya which include having import documents such as plant import permits and phytosanitary certificates of the importing country. In the period under review, some consignments did not meet the stipulated import conditions and consequently were intercepted. Interceptions were due to lack of phytosanitary certificates and the presence of pests. Documentation was the leading cause of interception accounting for 50% of all interceptions. Import inspections were also done at post offices; complying imports were allowed entry while those that failed to comply with phytosanitary requirements were destroyed.

In Eldoret, 16 (108 kilograms of non-compliant imports) consignments were intercepted while 12 consignments of assorted fruits and vegetable seeds were destroyed due to absence of import documents. At KEPHIS headquarters, 21 post office inspections were conducted and 120 consignments intercepted while 2 consignments were allowed entry. A number of awareness/sensitization forums were conducted in the year on imports and export requirements.

All visitors coming with plant or plant materials are to declare this to a KEPHIS plant inspectors on arrival at the country's entry and exit points

"Imported commodities are expected to meet the standards and import requirements of Kenya which include having import documents such as plant import permits and phytosanitary certificates of the importing country."

Interceptions at PIU Eldoret office

Consignee	Country of Origin	Commodity	Quantity(kgs)	Notification
William Pazia	UAE	Cucumber seeds	10	1
Swabra Ahmed	UAE	Assorted vegetable seeds	4	1
Lukas Maina	UAE	Cucumber seeds	1	1
Shadrack Koma	USA	Assorted vegetable seeds	1	1
Jackson Musyimi	Dubai	Rooted orchid plants	60	1
David c/o Golden Cargo	China	Tomato seeds	6	1
John Magu	Dubai	Fresh assorted plant cuttings	10	1
Nadirkonyen catholic centre	Dubai	Assorted vegetables spice & sweet corn seeds	2	1
Elisabeth Kuenren	USA	Assorted vegetable seeds	1	1
Elisabeth Kuenren	USA	Assorted vegetable seeds	0.500	1
Mr.Andreas	Germany	Assorted flowers/vegetable seeds	0.50	1
Pastor Ben Koech	USA	Assorted vegetable seeds	0.50	1
Philemon Bitok	USA	Assorted vegetable seeds	0.50	1
African Salihiya	UAE	Assorted vegetable seeds	10	1
Mercia Anderson	USA	Assorted flower seeds	0.50	1
Lary Keya	China	Assorted plant seeds	0.50	1
Total			108 Kilo-grammes	

Table 6: Interceptions at PIU Eldoret office

Pest Risk Analyses (PRAs) to facilitate imports

The Corporation created a Pest Risk Analysis (PRA) unit within its existing establishment in 2010 and developed a strategy for PRA to guard against the introduction and spread of harmful organisms to plant resources. During the period under review, the Corporation undertook various PRAs to facilitate imports either from new sources or new commodities as well as providing PRA information to facilitate market access.A number of countries requested for pest information to facilitate exports of Kenyan produce into those countries. Sets of information were developed and provided to requesting countries leading to opening of new markets for Kenyan produce.

The objective of a phytosanitary import regulatory system is to prevent the introduction of quarantine pests or limit the entry of Regulated Non-Quarantine Pests (RNQPs) with imported commodities and other regulated articles.

In an endeavour to achieve the institutional performance contracting/work plan on food security, PRAs were conducted for four crops (Potato tubers from Scotland, Periwinkle from South Africa, Coconut seedlings from India, Treculia africana from Belgium and Democratic Republic of Congo) and one pest (Flag smut associated with Wheat from Pacific North West USA) in order to facilitate regional and international trade in the commodities. The PRAs emphasized on quarantine pests that reasonably can be expected to follow the pathway i.e. pests that are likely to be seed-borne and seed transmitted or transmitted through fruit/root or vegetative propagated material where applicable. Based on the pest lists developed, import regulations were proposed. A summary of PRAs are listed in the Table

Summary of PRAs conducted during the period

	Commodity/Pest	Description/Purpose
	PRAs	
1.	Potato (Solanumtuberosum)	Importation of seed potato tubers from Scotland into Kenya
2.	Coconut (Cocosnucifera)	Importation of coconut seedlings/seed from India into Kenya
3.	African breadfruit (Treculia Africana)	Importation of Treculiaafricana from Belgium and Democratic Republic of Congo into Kenya as planting material (tissue culture plants)
4.	Wheat (Triticumsp)	Importation of wheat grain from India into Kenya
5.	Flag smut (Urocystisagropyri)	PRA on flag smut associated with wheat grain imports from Pacific North West USA
6.	Jatropha (Jatrophacurcas L.)	Importation Jatrophacurcas seed from India to Kenya
7.	Helianthus Spp	Importation of Helianthus spp. cuttings from Germany into Kenya

Table 7: Summary of PRAs conducted during the period

On the other hand, all trading partners are required to provide PRA information on request for the intended import commodities to aid the conduct of reliable risk assessment. It is on this basis that KEPHIS takes the lead in gathering and compilation of PRA information. In the period under review, PRA information was gathered for seven commodities as requested by trading partners: Capsicum spp. for the Republic of South Africa, Gypsophyla spp., Aster spp. and Chrysanthemum sp. for the Republic of Guatemala, Salvia nemorosa, Sweet potato for Peru and Petunia hybrid and Calibrachoa sp. for Germany.

Summary of PRA information gathered during the period July 2013 - June 2014

PRA Information		
	Gypsophyla spp (Gypsophila acutifolia, G. elegans, G. paniculata)	PRA information for Gypsophyla spp for the Republic of Guatemala
	Aster sp.	PRA information for Aster sp for the Republic of Guatemala
	Chrysanthemum spp.	PRA information for Chrysanthemum spp. for the Republic of Guatemala
	Salvia (Salvia nemorosa)	PRA information for Salvia nemorosa for the Republic of Costa Rica
	Sweet potato (Ipomoea batatas Lam.)	PRA information for Sweet potato for the Republic of Peru
	Petunia (Petunia hybrida) &Calibrachoa sp.	PRA information for Petunia hybrida&Calibrachoasp.for the Republic of Ger-many
	Capsicum spp.	PRA information for Capsicum spp.for the Republic of South Africa
	Raspberry (Rubusidaeus L.)	PRA information forRaspberry for the Republic of South Africa
	Pest distribution in Kenya	PRA information on pest distribution in Kenya for the Russian Federation

Table 8: Summary of PRA information gathered during the period July 2013 - June 2014

Surveillance on import of GMOs

KEPHIS is one of the regulatory agencies charged with monitoring research on genetically modified organisms in the country in consultation with the National Biosafety Authority as the coordinating agency. In support of implementation of provisions of the bio¬safety act, a number of GMO facilities were monitored. The Corporation worked with the National Bio-safety Authority in evaluating introduction of GMOs mainly for research and transit.

In order to safeguard against unauthorized imports of GMOs through ordinary permits, KEPHIS inspectors conducted 5 facility inspections with the aim of ensuring compliance with the laid down regulations on handling of genetically engineered materials. See below the facilities inspected:

- Inspection, transfer and planting of phase 5 transgenic MON87460 maize at KALRO- Kiboko
- Inspection and transfer of transgenic cassava from KALRO-NARL to KALRO-Mtwapa CFT
- Inspection of harvesting of transgenic Africa biofortified sorghum at KALRO- Kiboko
- Inspection, transport and planting Africa biofortified sorghum at KALRO- Kiboko
- Inspection, transfer and planting of transgenic MON 810 maize at KALRO- Kiboko

Surveillance, Early Warning System (EWS) and rapid alert response of pests

Following the Corporation's operationalization of the Rapid Alert and Emergency Response Initiative (this is a horticultural industry collaborative initiative) on Early Warning and Rapid Response in earlier years, KEPHIS continued to implement the early warning and rapid alert strategy by carrying out surveillance for key pests and diseases.

Due to the important role that the Agriculture plays in Kenya's economy, it is imperative to safeguard it from existing and any emerging threats by preventing the introduction, establishment and spread of pests, diseases and noxious weeds. The recognition of the possibility that accidental and intentional introduction of pests and diseases may occur has emphasized the need to develop rapid alert and response capabilities in order to protect natural and cultivated plant resources from plant pests, diseases and noxious weeds. The Rapid Alert and Response System for pests has an emphasis on plant health and encompasses issues relating to plant pests, plant pest/disease epidemiology and surveillance, biosecurity, environment, risk management and related emerging issues. The focus of the plant health emergency response strategy will be on disease agents and pests whose sudden emergence or re-emergence in Kenya requires an immediate and comprehensive response for containment.

In the current period, the Corporation continued with the implementation of the early warning and rapid alert strategy by carrying out surveillance for key pests and diseases including creation of pest free areas for Bactrocera invadens in avocado as well as monitoring surveys for SPS compliance of areas of low Bactrocera invadens prevalence. This was achieved by carrying out a baseline survey, quarterly monitoring surveys and reporting and carrying out two monitoring and evaluation audits in the areas.
A baseline survey has been conducted for Bactrocera invadens before the start of the creation of pest free areas for Bactrocera invadens in avocado in Kandara Division in Murang'a County. Continuous monitoring surveys for SPS compliance of areas of low Bactrocera invadens prevalence is ongoing and reported on quarterly basis.

The Corporation conducted surveys in all potato growing areas to document pests associated with potato in Kenya and these were documented. Potato and maize crops surveillance activities were conducted between March and June 2014 when the crops were in season. Potato surveillance were conducted in Nakuru, Elgeyo Marakwet, Narok, Kisii, Nyeri, Meru , Kiambu, Uasin Gishu, Baringo, Laikipia (Timau), and Nyandarua and their surroundings. It was noted that Bacterial wilt of potato has been widely spread within the country by growers sharing uncertified seed particularly for the popular 'Shangi' variety.

The Maize Lethal Necrosis Disease has continued to present a challenge to stakeholders in the agriculture sector, hence the Corporation also conducted surveys in all maize growing areas against the disease as well as evaluation/testing of the NPT entries for MLND tolerance. Surveys were conducted in various regions growing maize including Funyula, Butula and South Teso sub-counties of Busia County, Nakuru region, South Rift and Nyanza as well the coastal and North eastern (Garissa – Hola/Bura) regions.

INSPECTION OF PLANT MATERIALS FOR EXPORT

The Corporation facilitated exports by inspecting all consignments of plants and plant products for exportas per the provisions of the Agriculture Produce (Export) Act (Cap 319), and inspecting all facilities which applied for certification such as farms, nurseries, devitalization facilities and treatment facilities. Phytosanitary certificates (both export and re-export) were issued upon compliance with the importing country's phytosanitary requirements.

During the year, 293,785 phytosanitary certificates were issued, compared to 223,427 issued the previous year.

Phytosanitary Certificates issued 2013-2014 in various KEPHIS offices

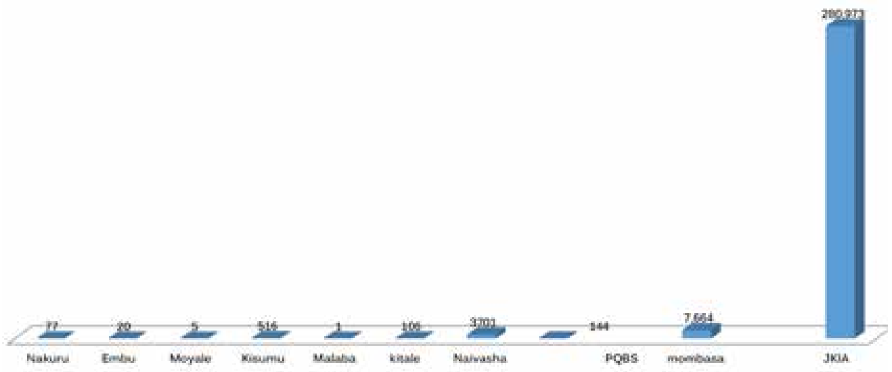


Figure 3:

ISO 9001:2008 Certified

Export interceptions

The period under review saw a significant increase in the number of notifications of interceptions, mainly due to documentation and the presence of harmful organisms. The notifications of interception caused by documentation were due to either inadequate/invalid or missing additional declarations on phytosanitary certificates or the absence of phytosanitary certificates. Notifications of interception are done by other NPPOs on Kenyan produce due to the exported plant material failing to meet requirements of importing countries/market destinations. It is important to note that market access and sustenance is largely dependent on the suppliers capacity to comply with market requirements and KEPHIS strives to ensure that these are met.

In the contract period, total notifications on non-compliances were 165.Liriomyza spp., Dacusspp, Bemisia spp. and Thrips spp remained the major pests causing interception, accounting for 48% of the interceptions. Presence of regulated pests (48%) in consignments is still the leading cause of interceptions and the leading organism is Liriomyza sp and tephritidae (fruit flies). Figure 4 shows a summary of interceptions reported during the period.

Germplasm exchange

The PQBS hosts tissue culture and virus cleaning laboratories to facilitate research germplasm cleaning and exchange. During the year, germplasm for 3 crops (Cassava, Potato and Sweet Potato) were cleaned and exchanged with other countries. These were as follows: 901 5CP cassava plantlets were acclimatized, 303 sweet potato plants were multiplied, 5CP cassava multiplication of 1727 plantlets and 157 sweet potato plants were initiated from glasshouse.
In order to continue facilitation of germplasm exchange, new greenhouses for germplasm exchange have been constructed and 3 are already in use.

Farm and Facility Inspections

To facilitate trade, KEPHIS carries out final produce inspections to ensure compliance to importing countries requirements. Farm and facility inspections include farms, nurseries, devitalisation facilities and treatment facilities.
Reasons for inspections include:

A KEPHIS inspector checks for the absence of pests and diseases in a bouquet of roses for export. KEPHIS engaged stakeholders on the importance of adhering to global standards of export to minimize interceptions in market destinations

1. Generating PRA information for export destinations requirements including facilitation of imports and transit, facilitation of exports, facilitation of use of bio-control organisms;
2. All imports and transits of plant material for compliance to the law including commercial, research, transit at postal and courier, ports of entry – air/sea ports, borders (rail, road);
3. Material imported into the country under quarantine including those requiring provisional quarantine facility and elite germplasm for disease clean up;
4. Export certification for IPPC compliance for inspections before exit including plants for planting, fresh produce (fruits, vegetables, flowers), regulated articles;
5. EU compliance to export requirements (specific requirements other than those required under general IPPC requirements), as contained in the EU Directives including EC Dir 2000/29;
6. Bilateral Agreements for export including those with Australia (AQIS) requiring devitalisation and USA (USDA-APHIS) for inspection of Pelargoniums;

7. Compliance to ISPM No.15: Guidelines for Regulating Wood Packaging Material used in international trade including audits and inspections of authorized treatment firms.
8. Interceptions in export destinations and interceptions of imports to follow up for corrective action;
9. Rejections at the exit port for follow up on for conformity to Cap 319 – export quality guidelines including follow up of farms/exporters having multiple rejections;
10. Approvals for import and export under national committees (KSTCIE, NBC/NBA) including follow up on recommendations and conditions of approval and monitoring of confinement facilities
11. Inspections under surveillance including for purpose of pest reporting or reported pests and updating pest lists

During the period under review, farm inspections were conducted under the various KEPHIS offices for various reasons including routine inspections for compliance with phytosanitary requirements of importing countries such as USDA and EU regulations, inspection of provisional quarantine facilities prior to issuance of quarantine permits in support of post entry quarantine controls for imports and supporting compliance with national bio-safety and plant bio-security requirements. One hundred and twenty eight farms and 48 nurseries were inspected in various regions. Advisory services were offered on the various requirements for certification of nurseries and farms.

Devitalization

It is a requirement that some cut foliage and cut flowers being exported to Australia must be devitalized to render the buds non-viable. Resulting from research conducted by Australian Quarantine, glyphosate, marketed in Australia in formulations such as Roundup® by Monsanto Agricultural Products (a.i.360g/l glyphosate), Zero® (a/i 170g/l) etc, is approved as a dip treatment for the devitalisation for certain flowers. The following are flower species for which current devitalisation applies: Bruniaalbivora, Carnations, Chrysanthemums, Calathealancifolia (leaves with stem only), Callistephuschinensis, Callistemon, Campanula, Croton stems (Codiaeumvariegatum), Hypericum, Rhapis palm stems, Rosa, Ruscus (foliage only) and Baby blue Oxypetalum, Viburnum sp. and Viola spp. There are specific dosages for various propagatable flower species.
In Kenya, KEPHIS authorizes all the treatment by the farms and advises Australia on the authorized facilities. The authority is given after training and the assessment of capability of the facility to carry out the treatment as required and prescribed in the AQIS/DAFF protocol. All authorized farms/firms must sign a commitment agreement with KEPHIS to carry out the treatment as required and must provide written details for each treatment performed on a consignment being exported. In 2013/2014,58 audits were carried out, 10 new facilities were authorized to carry out devitalisation, 12 on farm trainings were conducted, one stakeholder meeting was held and one training for the farms carrying out devitalisation was conducted at KEPHIS headquarters.

In Mombasa,525 go-downs and warehouses were routinely inspected for their suitability in storing agricultural produce storage before export or after importation. Wooden pallets and boxes used for exports of some commodities for example tea, handicrafts, fragile machines are treated as per the ISPM No. 15 requirement. Contracted companies carry out the treatment under KEPHIS supervision. Fifteen companies were audited and authorized to treat wood packaging material.

Laboratory Analysis and Pest Diagnostics

The PQBS plant health laboratories, pathology laboratories in Nakuru and Kitale and laboratory at Mombasa conducted various tests during the year. These tests were either for compliance to import and export requirements or as a service to the public. During the period under review, various laboratories performed various tests according to requests. In Kisumu, 33 soil and 20 water samples were forwarded to the PQBS for pathological analysis.

The Eldoret office sent the following samples for analysis: 12 potato samples were sent to KEPHIS Nakuru for bacterial wilt test; 6 soil samples for pathological tests were submitted to PQBS for analysis; 8 water samples for irrigation suitability tests were submitted to ACL for analysis and one tissue analysis sample was sent to PQBS Muguga for analysis.

The Nakuru laboratory analyzed 16 samples of potatoes, sunflower (3) and maize (1) for pathological diagnosis. The PQBS on the other hand, analyzed the following samples during the period under review: Total samples - 3,404

(818 in bacteriology laboratory, 682 in molecular section, 1,926,112 in nematology section,186 in entomology section and 705 in mycology section).

Eight plant clinics were also conducted in Embu (4) and Muguga(4).

TRADE AND STANDARDS

DEVELOPMENT OF INTERNATIONAL STANDARDS FOR PHYTOSANITARY MEASURES (ISPMs) UNDER INTERNATIONAL PLANT PROTECTION CONVENTION CRITERIA

Trade in agricultural produce among countries that are members of the WTO is regulated under the Agreement on Application of Sanitary and Phytosanitary Measures (WTO-SPS- Agreement). Article 3 (3)of the agreement provides that "Members shall play a full part, within the limits of their resources, in the relevant international organizations and their subsidiary bodies, in particular the Codex Alimentarius Commission, the International Office of Epizootics, and the international and regional organizations operating within the framework of the International Plant Protection Convention, to promote within these organizations the development and periodic review of standards, guidelines and recommendations with respect to all aspects of sanitary and phytosanitary measures".

The standards developed by the international standard setting bodies are therefore used to avoid disputes and to allow common understanding on application of necessary measures that promote trade while at the same time ensuring:

a) Protection of animal or plant life or health within the territory of the member from risks arising from the entry, establishment or spread of pests, diseases, disease-carrying organisms or disease-causing organisms;

b) Protection of human or animal life or health within the territory of the member from risks arising from additives, contaminants, toxins or disease-causing organisms in foods, beverages or feedstuffs;

c) Protection of human life or health within the territory of the member from risks arising from diseases carried by animals, plants or products thereof, or from the entry, establishment or spread of pests; or

d) Preventing or limiting other damage within the territory of the member from the entry, establishment or spread of pests.

Therefore, it is important for KEPHIS which is the NPPO, established in fulfilment of IPPC article IV of the revised (1997) IPPC Convention participates in development of ISPMs.

During the year, KEPHIS participated in national and regional meetings to develop International Standards on Phytosanitary Measures (ISPMs). The Standards were:

A: ISPMS & Annexes to ISPMS

- Draft Annex to ISPM 26: Control measures for an outbreak within a fruit fly-pest free area (2009-007)
- Determination of host status of fruit to fruit flies (Tephritidae) (2006-031)
- Electronic phytosanitary certificates, information on standard XML schemes and exchange mechanisms (Draft Appendix 1 to ISPM 12:2011) (2006-003)
- Draft annexes to ISPM 28:2007(Phytosanitary treatments for regulated pests);
- CPM 2014/03_04 Draft annex to ISPM 28:2007: Cold treatment forCeratitiscapitataonCitrus sinensis(2007-206A)
- CPM 2014/03_05 Draft annex to ISPM 28:2007: Cold treatment for Ceratitiscapitataon Citrus reticulate x Citrus sinensis (2007-206B)
- CPM 2014/03_06 Draft annex to ISPM 28:2007: Cold treatment for Ceratitiscapitataon Citrus sinensis (2007-206C)
- CPM 2014/03_07 Draft annex to ISPM 28:2007: Cold treatment for Bactroceratryonion Citrus sinensis (2007-206E)
- CPM 2014/03_08 Draft annex to ISPM 28:2007: Cold treatment for Bactroceratryonion Citrus reticulate x Citrus sinensis (2007-206F)
- CPM 2014/03_09 Draft annex to ISPM 28:2007: Cold treatment for Bactroceratryonion Citrus limon (2007-206G)
- CPM 2014/03_10 Draft annex to ISPM 28:2007: Cold

treatment for Ceratitiscapitataon Citrus paradisi (2007-210)
- CPM 2014/03_11 Draft annex to ISPM 28:2007: Vapour heat treatment for Bactroceracucubitaeon Cucumismelo var. Reticulatus(2006-11).

TRADE NEGOTIATIONS

EAC-US Trade and Investment Partnership
The EAC-US trade and investment partnership initiative aims at supporting the economic integration of the EAC and enhances the EAC-US trade and investment relationship. It is built on the recognition of the important role that trade and investment plays in economic and social development including job creation in East Africa and the US.

It has four components for negotiations, namely:-
The Bilateral Investment Treaty (BIT) aims at:
- Protecting investments in the territories of either party where investor rights are not already protected through existing agreements;
- Encouraging the adoption of market-oriented domestic policies that treat private investment in an open, transparent and non-discriminatory way; and
- Supporting the development and application of international law and standards consistent with the objectives of the cooperation.

Trade Facilitation Component which provides for development and implementation of policies that promote efficiency in the territories of the parties through reduced transaction costs associated with the enforcement, regulation and administration of trade policies.

SPS/TBT component which seeks to address key market access challenges especially those related to SPS and TBT. This will involve identification of key priority areas for technical support by the US as per the Action Plan developed and negotiated by the two parties.

Commercial Dialogue which establishes a consultative mechanism which will serve as a cornerstone of linking and engaging governments with the private sector of both parties. The dialogue will focus on promoting effective public-private partnership, which are a critical mechanism for attracting greater US investments to the EAC region. This is especially in the area of infrastructure development, supply of services, mineral development and manufacturing.

KEPHIS has been spearheading the discussions on the SPS /TBT component of the agreement and has come up with draft priority areas and a cooperation agreement to guide the engagements with the US.

WTO TRADE FACILITATION AGREEMENT

KEPHIS participated in negotiating for a Trade Facilitation Agreement which was concluded in December 2013 at the Bali Ministerial Conference as part of a wider "Bali Package". Since then, WTO members have undertaken a legal review of the text. Under the decision adopted in Bali, WTO members must draft a Protocol of Amendment to insert the new Agreement into Annex 1A of the WTO Agreement. The Trade Facilitation Agreement will enter into force once two-thirds of members have completed their domestic ratification process.
The Trade Facilitation Agreement contains provisions for expediting the movement, release and clearance of goods, including goods in transit. It also sets out measures for effective cooperation between customs and other appropriate authorities on trade facilitation and customs compliance issues. It further contains provisions for technical assistance and capacity building in this area.

KEPHIS PARTICIPATION IN AGOA MEETINGS

KEPHIS is a member of the AGOA agriculture sub-committee and participates in national AGOA meetings. It is during these meetings that achievements made under AGOA and challenges faced by exporters to the US market such as market requirements are discussed and recommendations made to the Ministry of Foreign Affairs and International Trade for follow-up.

EAC SPS PROTOCOL HARMONIZATION

KEPHIS, a key regulatory institution pivotal in the implementation of the WTO-SPS Agreement together with other stakeholders within the EAC, have developed an EAC- SPS protocol that aims at enhancing Partner States cooperation in the adoption and harmonisation of plant health, animal health and food safety. The objectives of the Protocol are to:-
1. Promote trade in food and agricultural commodities within the Community and between the Community and

other trading partners;

2. Promote within the Community, the implementation of the principles on harmonisation, equivalence, regionalisation, transparency and risk assessment in the Agreement on the Application of Sanitary and Phytosanitary Measures;
3. Strengthen cooperation and coordination of sanitary and phytosanitary measures and activities at national and regional level, based on common understanding and application within the Community; and
4. Enhance the sanitary and phytosanitary status through science based approach in the Community.
5. EAC Partner States are currently at different stages of ratification of the protocol following its approval by the EAC Council of Ministers and the Summit in 2012.

EPA NEGOTIATION PROCESS

Negotiations in the following areas have been concluded and the various texts have been migrated to the Joint Consolidated EPA text: -

- Trade in Goods. The EU offered EAC duty free quota free market access for all products subject to transition period for sugar and rice as indicated in "trade in goods" section above. EAC offered to liberalize 82.6% within a period of 25 years from 2015 to 2033, with a transition period of 7 years.
- Fisheries: Both parties agreed on macro issues of marine resource, conservation, sustainable exploitation and provide a framework to negotiate a bilateral fisheries agreement with the EU for purposes of optimum exploitation of marine fisheries for optimum benefit of both parties.
- Customs and Trade Facilitation. The Parties agreed to reinforce cooperation with a view to ensuring that the relevant legislation and procedures, and administrative capacity of the relevant administrations
- SPS and Technical Barriers to Trade (TBT). A mechanism for dealing with issues on SPS and TBT has been agreed by both parties and to be put in place, something which was lacking in the Lome and Cotonou agreements.
- Economic and Development Cooperation.

The EAC and the EU have agreed to annex the EPA development matrix as an integral part of the EPA agreement. The Matrix contains priority infrastructure projects of national and regional nature in the EAC region.

PLANT VARIETY PROTECTION

1. Plant Breeders Rights (PBR)

One of the key responsibilities of the Seeds and Plant Variety Protection department is to administer Plant Breeders' Rights (PBR) in Kenya and serve as a liaison office for the International Union for the Protection of new Varieties of Plants (UPOV); thus, KEPHIS is the custodian of the Plant Breeders Register.

Thirty-three delegates from 16 countries attended the UPOV Technical Working Party meeting on ornamental plants and forest trees in May 2014. Kenya, through KEPHIS, organized the week long event held in Naivasha, where most of Kenya's roses for export are grown.

Variety protection is safeguarding a plant variety against un-authorized or unlawful use, without the consent or authorization by the owner of the variety who has been granted PBRs, which are proprietary rights exclusively granted by the government to persons or institutions discovering, breeding or developing new varieties of plants and have filed an application for protection of the variety with KEPHIS. They are granted for a specific period of time and on complying with internationally recognized standards, i.e. distinctness, uniformity, stability (DUS) tests and novelty requirements. The DUS tests are conducted for two growing seasons either locally or in any other UPOV member country.

The purpose of variety protection is to encourage competition among breeders through exclusively exploiting their rights (royalties) during production of the protected varieties. It also allows breeders to recover investments lost during the breeding process. Finally, it aims at recognizing and rewarding those innovating new varieties.

During this reporting period, 85 new applications for PBR were received and 1withdrawn. Details are summarized in the Table 9

"Variety protection is safeguarding a plant variety against un-authorized or unlawful use, without the consent or authorization by the owner"

Summary of PBR applications and withdrawals

	APPLICATIONS FOR PBR		WITHDRAWAL OF PBR	
Species	No.	Country of origin	No.	Country of origin
Alstroemeria	4	Netherlands	-	
Barley	5	Kenya	-	
Blueberry	5	Australia		
Cabbage	1	Japan	-	
Carnations	2	Japan	-	
French Beans	1	France		
Gypsophila	3	Japan		
Hypericum	3	Israel		
Irish Potato	16	Netherlands & United Kingdom		
Passion Fruits	5	Kenya		
Raspberry	4	U.S.A. & United Kingdom		
Roses	35	Netherlands, Germany, France, United Kingdom & Australia	1	Netherlands
Strawberry	1	Spain		
Zantedeshchia	1	Netherlands		
Total	85			

Table 9: Summary of PBR applications and withdrawals

The total number of applications for PBRs received since the inception of the PBR processing in Kenya is one 1,373.

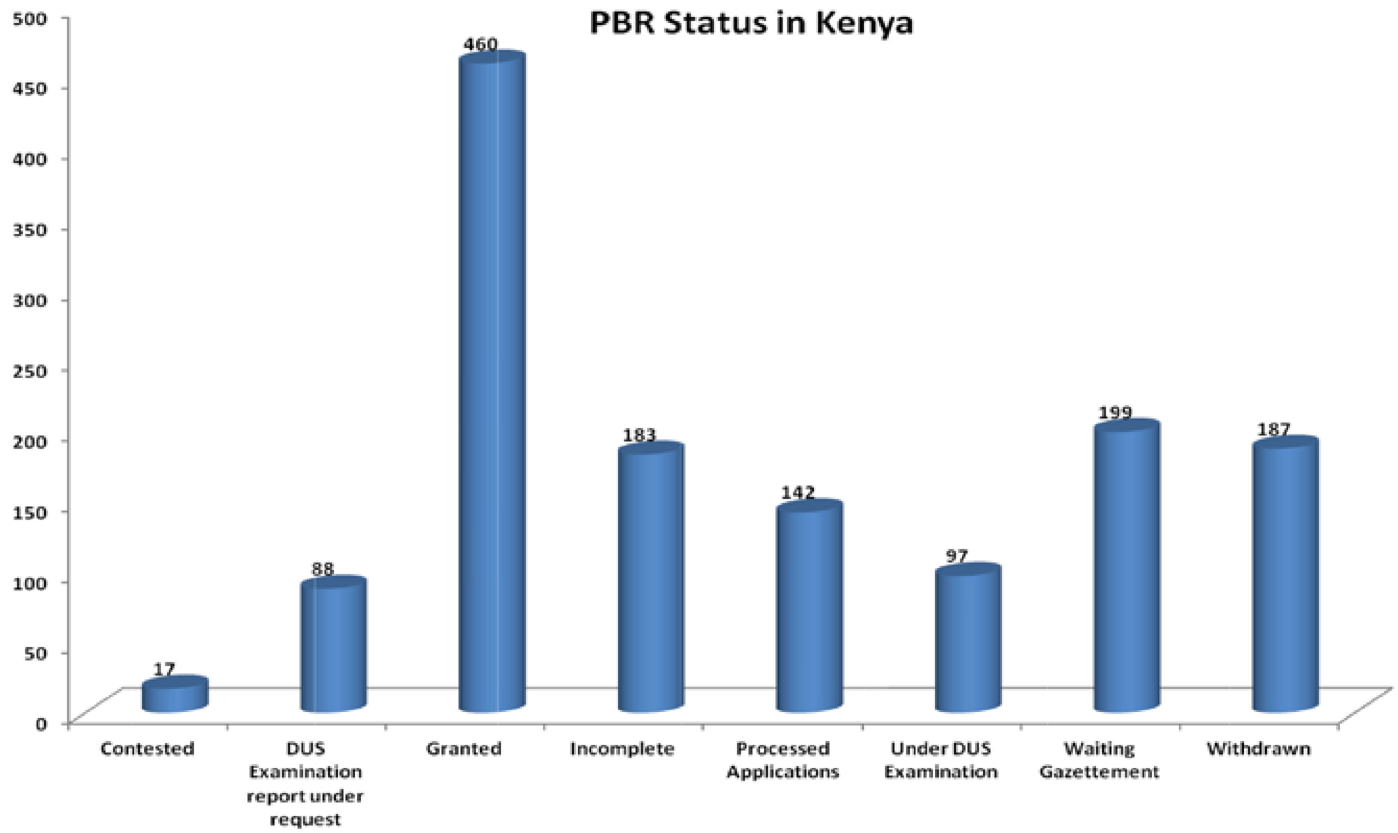


Figure 4: Status of PBR Applications

The incomplete applications are either due to missing supportive documents that must accompany the application or due to non-payment of the application fee by the applicant. Approved applications for granting of PBR titles are those which the DUS examination report has been finalized and confirmed to be positive but awaits payment of grant for PBR certificate fee by the applicant. The date of payment of this fee becomes the official commencement date of protection of that variety in Kenya.

During the period, KEPHIS processed and issued 19 PBR Grants while 12 Grants were surrendered by the Grant Holders. This brought to 130 the total number of grants surrendered to date from a total of 460 Grants so far.

Varieties of rose flowers: 35 applications for plant breeders rights for roses were applied for during the year

NATIONAL PERFORMANCE TRIALS COMMITTEE (NPTC)

During the reporting period, the National Performance Trial committee (NPTC) held two meetings and recommended for release 79 crop varieties which were tested in 2012/2013 National Performance Trials (NPTs). Those that were recommended for release are shown in the Figure 5.

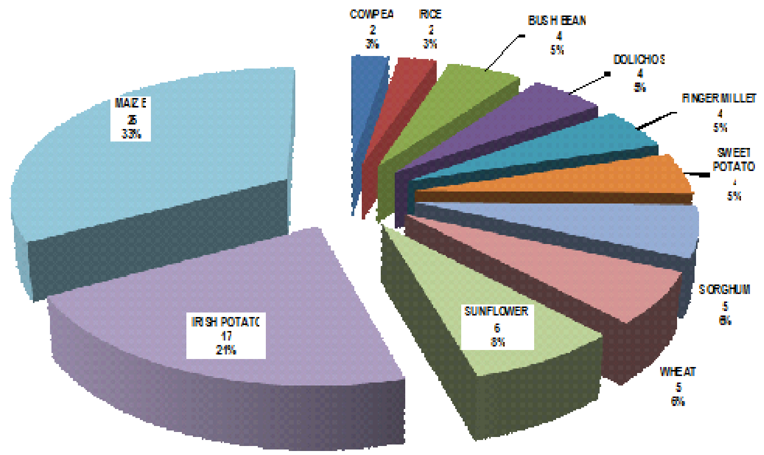


Figure 5: Varieties recommended for release by NPTC in 2013/2014

As in the past, maize had the highest number of entries (33%) while rice has 3% and cowpeas (3%) had the least number of entries.

NATIONAL VARIETY RELEASE COMMITTEE (NVRC)

During the reporting period, the National Variety Release Committee (NVRC) approved for release 44 varieties as shown in Figure 6.

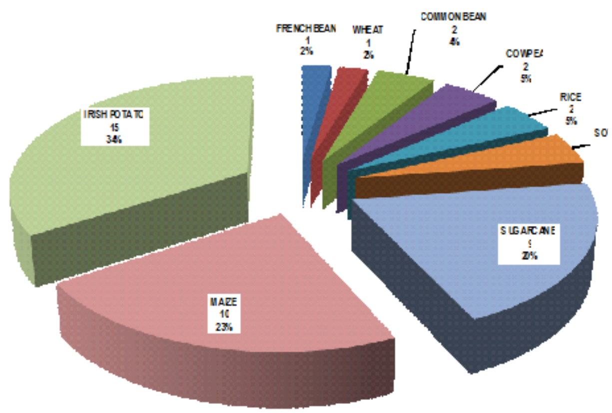


Figure 6: Varieties released by NVRC in 2013/2014

During the same period the NVRC deliberated on the proposed nomenclature and recommended that all seed companies come up with simple trading names for their varieties which farmers can easily remember. The committee on nomenclature was requested to finalize the list of national institutional codes.

The total number of crop varieties released by the NVRC from 2004 to date are shown in Figure 7.

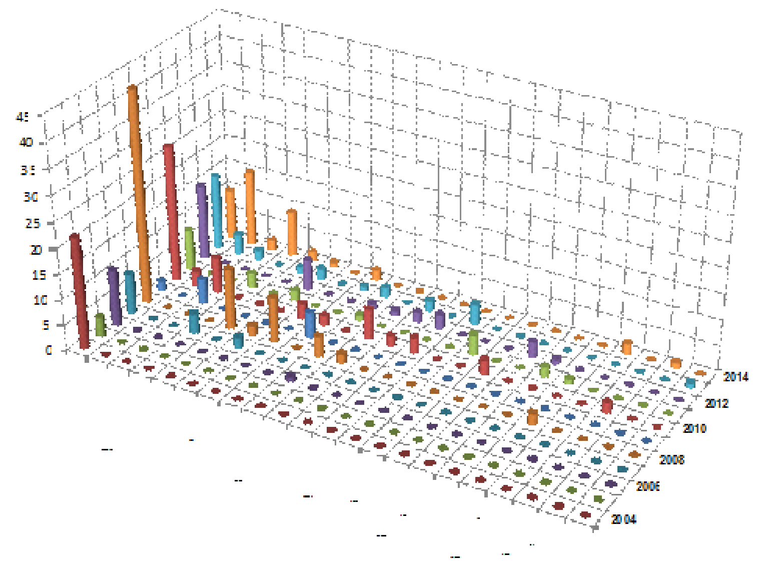


Figure 7: Varieties released by NVRC from 2004/2005

NATIONAL PERFORMANCE TRIALS

During the period, 378 candidate crop varieties were tested. Tables 10 and 11 indicate the number of crops tested listing the various testing kits and the number of entries submitted.

During the 2013/2014 period, some varieties were tested in more than one trial/kit which are designated here as KIT1, KIT2, KIT3, KIT4 and KIT5.

		SEASON		
CROP	KIT	2013 (2ND SEASON)	2014 (1ST SEASON)	TOTAL
BARLEY	BARLEY	.	3	**3**
BUSH BEAN	BUSH BEAN	.	3	**3**
CANNING BEAN	CANNING BEAN	5	17	**22**
CASSAVA	KARI KAKAMEGA	.	7	**7**
	KARI MTWAPA	.	18	**18**
CHICKPEA	CHICKPEA	.	6	**6**
COTTON	COTTON	.	3	**3**
DOLICHOS	DOLICHOS	2	2	**4**
FIELD PEA	FIELD PEA	1	1	**2**
FINGER MILLET	FINGER MILLET	.	7	**7**
FRENCH BEAN	FRENCH BEAN	.	10	**10**
IRISH POTATO	CONVENTIONAL	26	27	**53**
	INTENSIVE	26	24	**50**
MAIZE	COAST	.	8	**8**
	EARLY	6	10	**16**
	LATE	.	10	**10**
	MEDIUM	.	47	**47**
	MID_LATE	.	26	**26**
	STRIGA	.	11	**11**
	TRANSITIONAL	14	16	**30**
RAPE SEED	RAPE SEED	.	2	**2**
SORGHUM	SORGHUM	3	9	**12**
	SWEET SORGHUM	.	4	**4**
SOYABEAN	SOYABEAN	.	8	**8**
SUNFLOWER	SUNFLOWER	.	4	**4**
WHEAT	WHEAT	.	12	**12**
TOTAL		**83**	**295**	**378**

Table 10

KIT1 has the total of all varieties tested in each season. Thus, all varieties in KIT2, KIT3, KIT4 and KIT5 are all in KIT1. This was the case for trials of maize, Irish potato and cassava. This is a reflection of breeders' uncertainty of performance of their varieties.

Figure 8 Summary

		YEAR									
		2013.2			2014						
MNGMT	CROP	KIT1	KIT2	TOTAL	KIT1	KIT2	KIT3	KIT4	KIT5	TOTAL	TOTAL
CLIENT	CASSAVA				16	9				25	**25**
	CHICKPEA				6					6	**6**
	RAPE SEED				2					2	**2**
	TOTAL				**24**	**9**				33	**33**
KEPHIS	BARLEY				3					3	**3**
	BUSH BEAN				3					3	**3**
	CANNING BEAN	5		5	17					17	**22**
	COTTON				3					3	**3**
	DOLICHOS	2		2	2					2	**4**
	FIELD PEA	1		1	1					1	**2**
	FINGER MILLET				7					7	**7**
	FRENCH BEAN				10					10	**10**
	IRISH POTATO	26	26	52	27	24				51	**103**
	MAIZE	18	2	20	102	12	8	5	1	128	**148**
	SORGHUM	3		3	13					13	**16**
	SOYABEAN				8					8	**8**
	SUNFLOWER				4					4	**4**
	WHEAT				12					12	**12**
	TOTAL	**55**	**28**	**83**	**212**	**36**	**8**	**5**	**1**	**262**	**345**
TOTAL		**55**	**28**	**83**	**236**	**45**	**8**	**5**	**1**	**295**	**378**

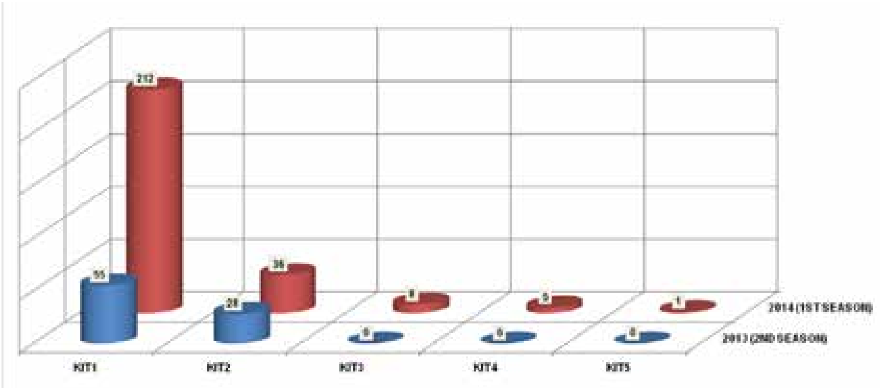


Figure 9: Varieties Planted in more than 1(one) trial kit

Status of varieties

Under normal circumstances, a variety is tested more than once for it to be considered for release depending on its performance. Thus in the Figure 12 continuing varieties are those that have been tested more than once. The performance of these will be subjects of discussions by NPTC at the end of each season.

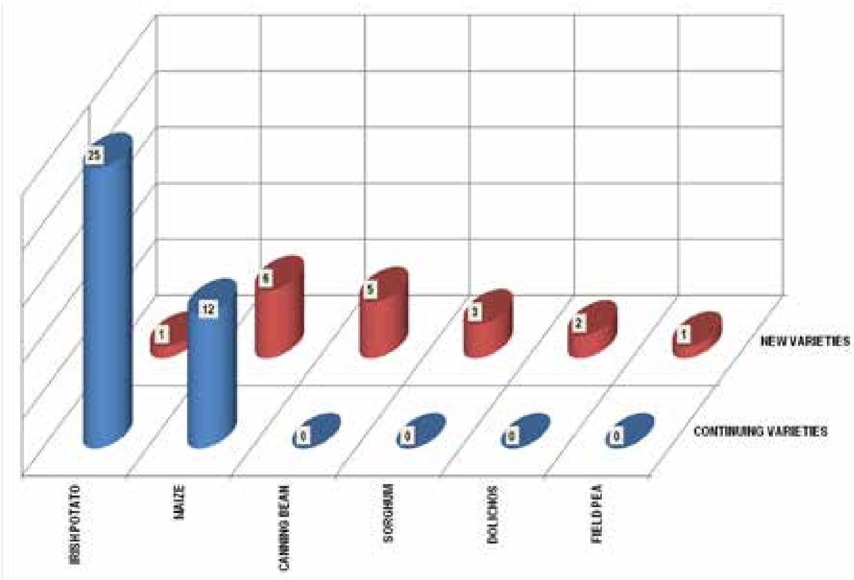


Figure 10: Status of varieties tested in 2nd Season 2013

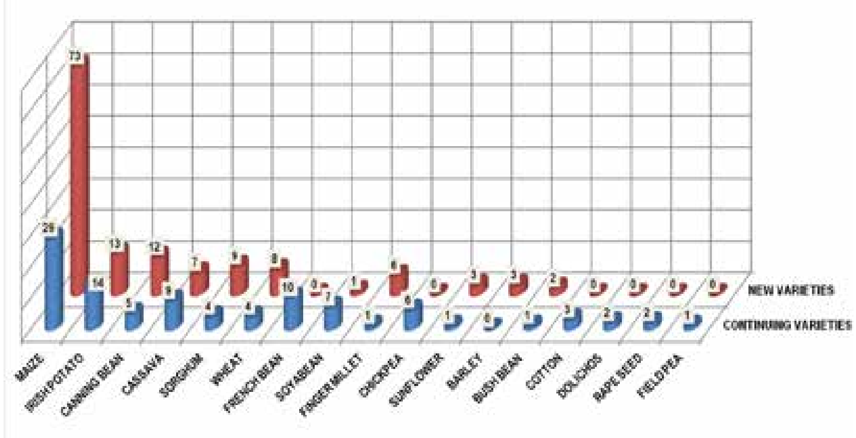


Figure11: Status of varieties tested in 1st season 2014

NPT trials always have two management regimes: KEPHIS managed and client managed. The number of crop varieties under each management are as shown below:

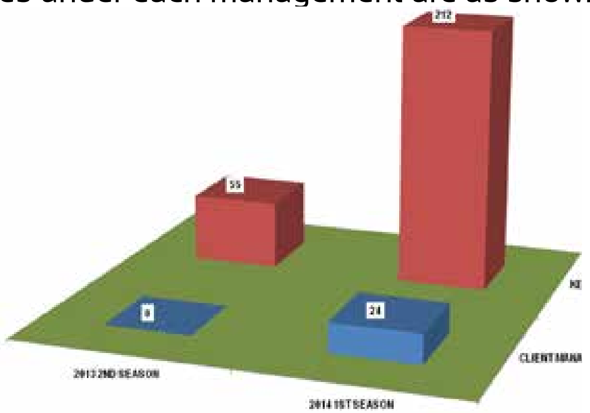


Figure 12 Varieties under each management

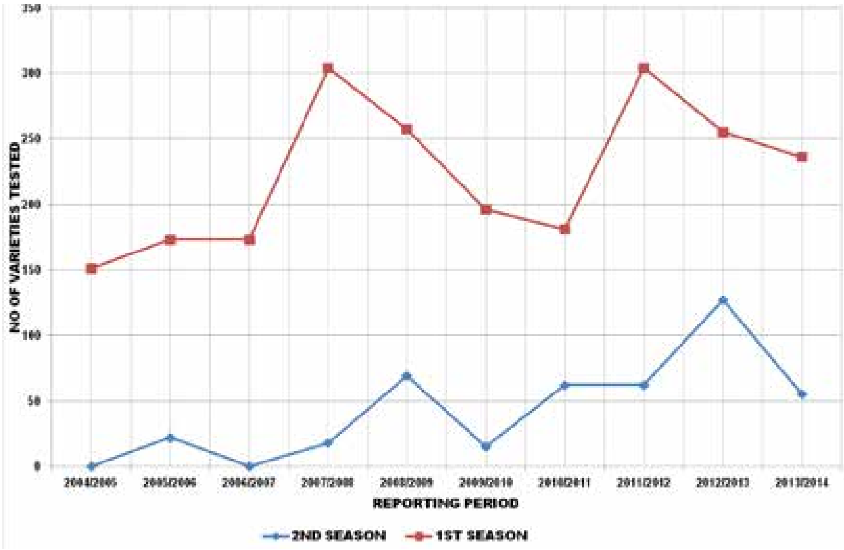


Figure 13: Profiles of new varieties per season over time

Maize and Irish potato formed the bulk of the test materials in any of the two seasons.

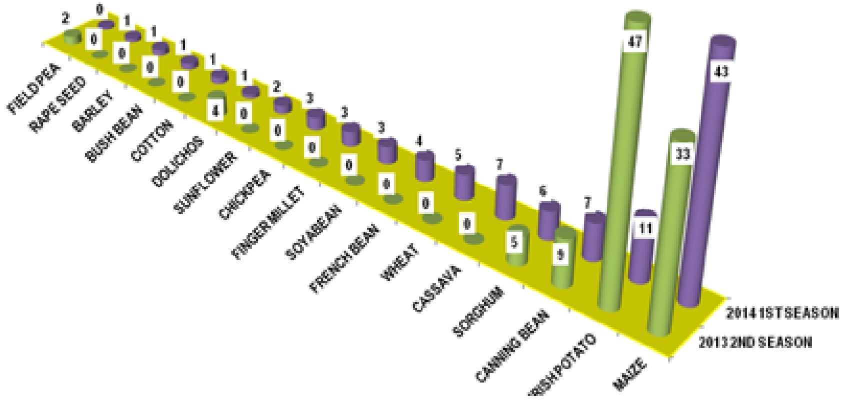


Figure 14: percentages per season of crops tested

Of the maize varieties submitted, the Medium kit had the most (32%) varieties and Coast kit with least(5%) varieties.

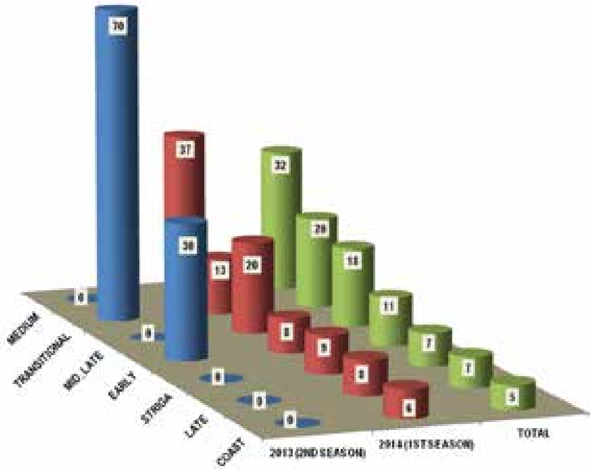


Figure 15: Percentage distribution of maize varieties to kits

The number of organizations increased with the entrance of MIAD, Africe Seeds Ltd, Maseno University and Hygtrotech. As before, KALRO and Kenya Seed Company remained in the lead in the number of submitted test candidates.

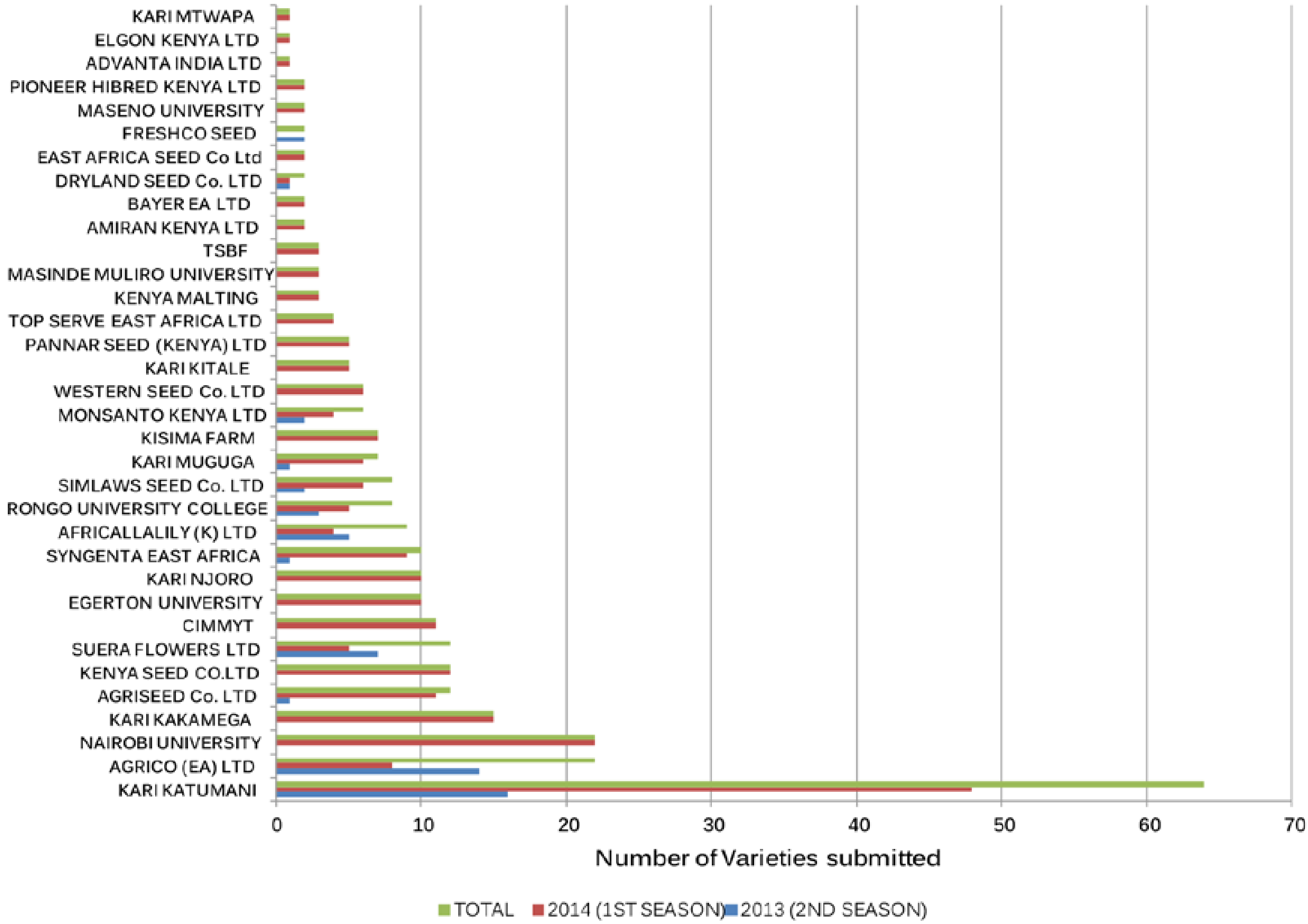


Figure 16:

Varieties in the NPTs are tested for at least 2 years/seasons. Of the 263 candidates evaluated during the 2007/2008 reporting period, 110 are of this category. Varieties to be recommended for release in next NPTC meetings will come from this group.

ISO 9001:2008 Certified

DISTINCTIVENESS UNIFORMITY AND STABILITY (DUS) TRIALS

During the period, 276 test candidates were under DUS tests. Figure 18 and Figure 19 shows the number of entries and the place location the tests were conducted.

		KEPHIS OFFICE					
CROP	TYPE	EMBU	KISUMU	KITALE	NAIROBI	NAKURU	TOTAL
AMARANTH		0	0	0	0	10	10
BARLEY		0	0	0	0	3	3
BUSH BEAN		0	0	0	6	0	6
CANNING BEAN		0	0	0	15	0	15
DHANIA		0	0	0	0	1	1
DOLICHOS		0	0	0	6	0	6
FINGER MILLET		0	5	0	0	0	5
GARDEN PEA		0	0	0	0	1	1
IRISH POTATO		0	0	0	2	2	4
LUCERNE		0	0	5	0	0	5
MAIZE	HYBRID	34	0	15	25	0	74
	LINE	27	0	12	24	0	63
	LINE_OPV	0	0	0	1	0	1
	OPV	0	0	0	1	0	1
	SC	9	0	6	9	0	24
MRENDA		0	2	0	0	0	2
NIGHTSHADE		0	0	0	0	5	5
PUMPKIN		0	0	0	0	1	1
RAPE SEED		0	0	0	0	2	2
RICE	NON-AROMATIC	2	0	0	0	0	2
SORGHUM	HYBRID	0	0	0	14	0	14
	OPV	0	0	0	1	0	1
SOYABEAN		0	0	0	0	1	1
SPIDERPLANT		0	0	0	0	4	4
SUNFLOWER	HYBRID	0	0	7	0	0	7
SWEET POTATO		0	11	0	0	0	11
WHEAT		0	0	0	0	7	7
TOTAL		72	18	45	104	37	276

Table 11:

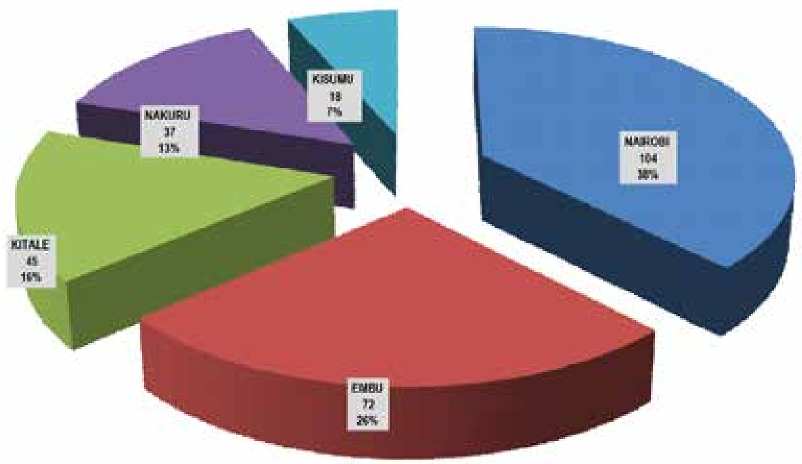


Figure 17:

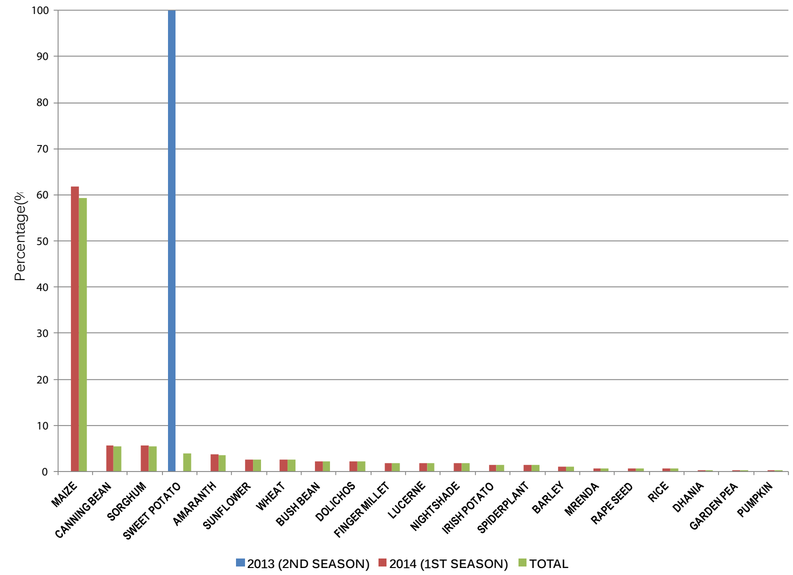


Figure 18: Maize still leads (111) with the number of test candidates with wheat trailing.

Maize, Kenya's staple food underwent Distinctness, Uniformity and Stability trials in the year under review

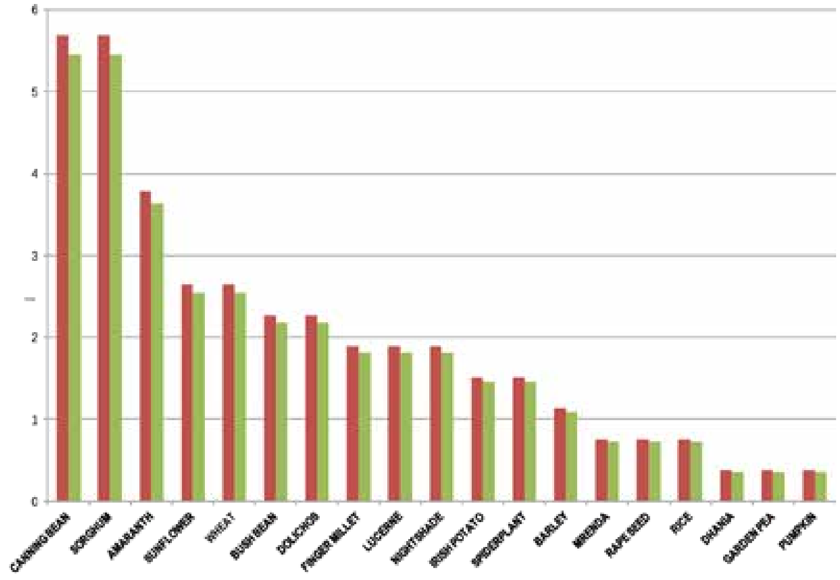


Figure 19:

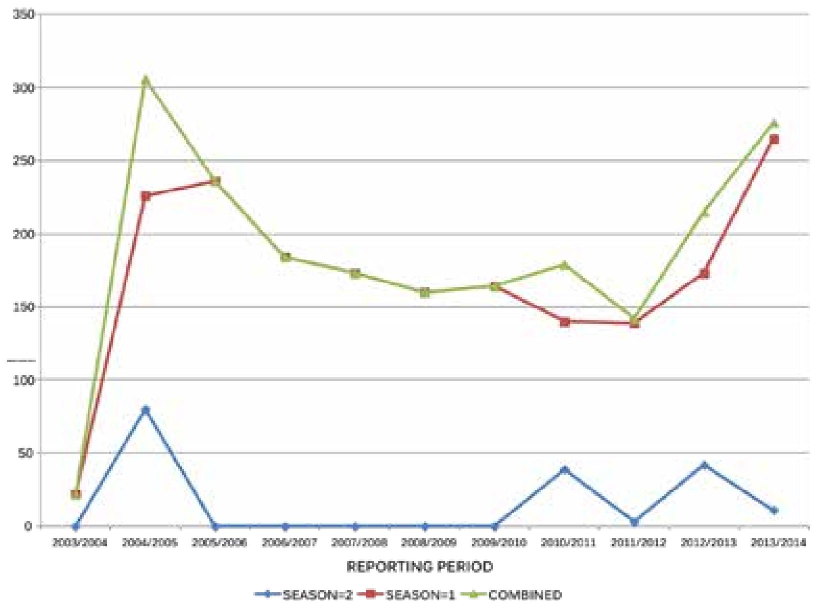


Figure 20

SEED CERTIFICATION

Seed Certification Schemes exist to protect farmers by ensuring that the seed they buy meets certain quality standards. The Schemes maintain the genetic and mechanical purity and identity of seed through inspections of seed crops during active growth and seed processing and laboratory analyses. All certified seed must meet prescribed standards of varietal identity and purity, germination and freedom from weed seeds.

FIELD INSPECTION

In the period under review, 25,628.90 hectares of seed crops were registered for inspection. Of this, 19,237.75 hectares were approved, 1,220.28 hectares rejected and 5,170.86 hectares were still pending inspection by the close of the 2013/2014 financial year (Table 12). Maize, wheat and beans seed crops had the highest percentages of hectares inspected of 72%, 7% and 5% respectively.

Maize cob inspections after harvest in Tana River County

The total hectares of seed crops registered for certification decreased from 39,863.19 in 2012/2013 to 25,628.90 in 2013/2014 financial year, a decrease of 35.7%. The percentage of hectares rejected this year was 5% (Figure 23) compared to 3% in 2012/2013 financial year, an increase of 2%. The decrease in hectares registered for certification and increased percentage of hectares rejected were mainly due to production challenges at Marigat Irrigation Scheme that led to farmers not being contracted and infestation by the Maize Lethal Necrosis Disease (MLND) respectively. The rejections were also due to the following :

- Off types
- Crop failure due to moisture stress
- Selfing in maize and
- Inadequate isolation distances

Maize grown under irrigation is inspected at the Bura irrigation scheme, Tana River County

Hectares of seed crops per species

Determine	Common Name	Hectares planted	Hectaresapproved	Hectares rejected	Hectares pending
Zea mays	Maize	18,449.56	13,923.79	880.85	3,644.92
Triticum aestivum	Wheat	1,817.15	1,000.75	35.20	781.20
Phaseolus vulgaris	Beans	1301.1	1066.848	34.262	199.99
	Pasture	1145.89	1102.373	16.16	27.357
Hordeum vulgare	Barley	934.01	777.61	143.6	12.80
Helianthus annuus	Sunflower	448.34	62.14	6	380.20
Vigna radiata	Green grams	349.6	297.8	51.8	0
Brassica spp	Collards	309.82	297.02	12.8	0
Solanum tuberosum	Potato	252.024	213.034	0.86	38.13
Vigna unguiculata	Cowpeas	175.2	157.1	13.1	5
Oryza sativa/ Oryza glaberrima	Rice	105	88.72	0	16.28
Abelmoschus esculentus	Okra	97.04	59	1.6	36.44
Sorghum bicolor	Sorghum	75.3	72.1	3.2	0
Cajanus cajan	Pigeon peas	62.22	57.42	4.8	0
Pisum sativum	Peas	23.9	15.1	8.8	0
Solanum lycopersicum	Tomato	22.89	12.65	0	10.24
Lablab purpurea	Dolichos beans	19.8	18.2	1.6	0
Eleusine coracana	Finger millet	12.04	10.04	1.6	0.40
Cleome gynandra	Spider plant	9.8	0	0	9.80

Lupinusangustifolius	Lupins	4.05	0	4.05	-
Ipomoea batatas	Sweet potato	3.08	0	0	3.08
Brassica oleracea	Kales	2.8	2	0	0.80
Glycine max	Soyabean	2.14	0.6	0	1.54
Solanum nigrum	Black Nightshade	1.34	0.54	0	0.80
Capsicum spp	Pepper	1.2	1.2	0	0
Brassica nigra	Mustard seed	0.88	0	0	0.88
Solanum melongena	Eggplant	0.68	0.68	0	-
Arachis hypogaea	Groundnuts	0.6	0.2	0	0.40
Sesamum indicum	Simsim	0.6	0	0	0.60
Spinacia oleracea	Spinach	0.4	0.4	0	0
Amaranthus spp	Amaranthus	0.34	0.34	0	0
Desmodium cinereum	Desmodium	0.101	0.101	0	-
Grand Total		25,628.90	19,237.75	1,220.28	5,170.86

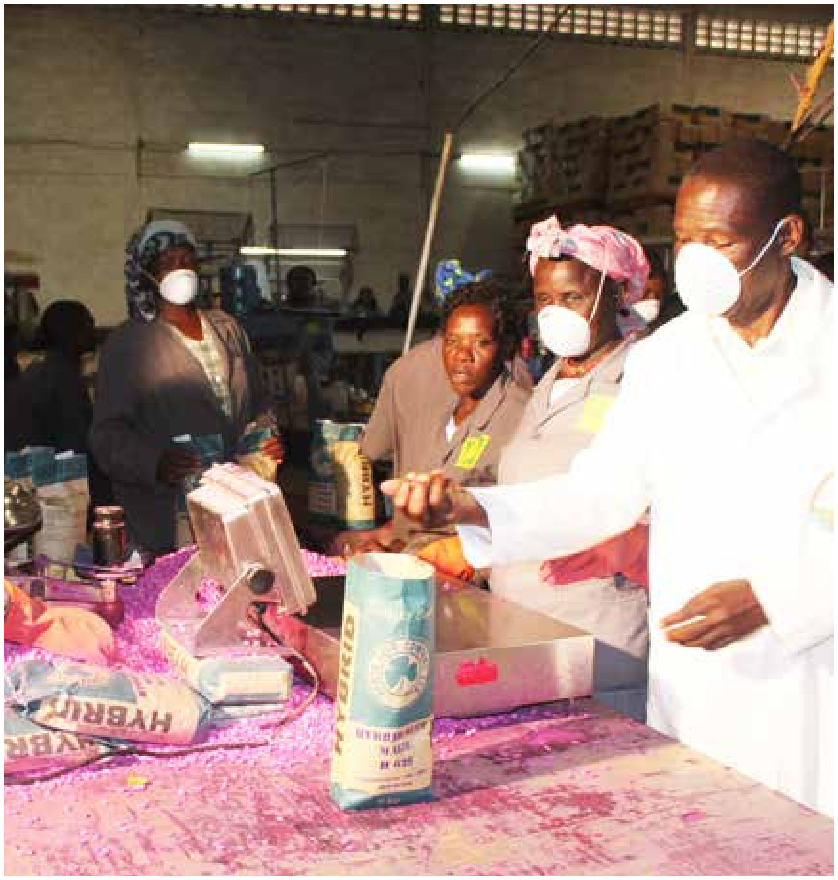
Table 12: Hectares of seed crops per species

Seed Processing and Sampling

Seed processing is a vital part of seed certification needed to move the improved genetic materials of the plant breeder into commercial channels. The processed seed must be sampled and sampling should be done in such a way that the samples taken are representative of the entire quantity to determine the quality of seed. This ensures that the farmer gets quality seed that has the capacity to germinate and is free from all undesired materials

The seed crops that met the field certification standards were harvested and processed to remove the inert matter and other impurities. The issued seed lots were allocated lot numbers and lots inspected to confirm compliance to seed processing standards. Lots meeting the processing standards were sampled for laboratory analysis. This year, the total lots weight processed and sampled was 38,231,917.21 kilograms, a decrease of about 16% compared to 2012/2013 financial year (Table 13). This reduction is consistent with the reduction in hectares under seed crops.

The total amount of seed processed and sampled - locally produced and imported - was 38,231,917.21 kilograms. Out of this amount, 89% was locally produced while 11% was imported. In both local production and imports, maize contributed the highest percent at 83% and 65% respectively.



A KEPHIS inspector (in white overall) samples seed in a seed processing factory to determine the quality of seed before it is sold to farmers

Total seed lot weight sampled

Botanical Name	Common Name	Local Production	Imports	Totals
Zea mays	Maize	28,363,646.00	2,757,388.00	31,121,034.00
Triticumaestivum	Wheat	1,902,120.00	-	1,902,120.00
Hordeum vulgare	Barley	1,390,468.00	-	1,390,468.00
Solanum tuberosum	Potato	560,100.00	100,250.00	660,350.00
Phaseolus vulgaris	French beans	-	456,856.17	456,856.17
Phaseolus vulgaris	Beans	415,339.00	38,529.00	453,868.00
Oryza sativa/ Oryza glaberrima	Rice	299,890.00	-	299,890.00
Pisum sativum	Peas	26,550.00	254,438.00	280,988.00
Vigna radiata	Green grams	251,190.00	-	251,190.00
Sorghum bicolor	Sorghum	239,130.00	2,000.00	241,130.00
Vigna unguiculata	Cowpeas	183,070.00	45.00	183,115.00
Allium cepa	onion	-	126,562.50	126,562.50
	Pasture	97,529.00	-	97,529.00
Avena sativa	Oat	75,079.00	-	75,079.00
Pennisetum glaucum	Pearl millet	67,124.00	-	67,124.00
Brassica oleracea	Kale/Collards	54,750.13	12,113.60	66,863.73
Phaseolus coccineus	Runner Bean	5,400.00	56,325.00	61,725.00
Citrullus lanatus	Watermelon	113.00	58,273.05	58,386.05
Daucus carota	Carrot	-	57,940.00	57,940.00
Brassica oleracea	Cabbage	-	56,385.04	56,385.04
Solanum lycopersicum	Tomato	342.00	53,556.37	53,898.37
Helianthus annuus	Sunflower	45,852.00	6,250.00	52,102.00
Beta vulgaris	Beetroot	-	37,212.25	37,212.25
Abelmoschus esculentus	Okra	7,398.00	21,205.00	28,603.00
Capsicum sp	Pepper	24.05	25,679.73	25,703.78
Coriandrum sativum	Coriander	300.00	22,768.00	23,068.00
Zea mays	Babycorn	-	14,665.00	14,665.00
Medicago sativa	Lucern	-	10,250.00	10,250.00
Cucurbita maxima	Pumpkin	-	7,264.50	7,264.50
Spinacia oleracea	Spinach	-	6,927.80	6,927.80
Cajanus cajan	Pigeon peas	6,658.00	-	6,658.00
Lablab purpureus	Dolichos bean	5,280.00	-	5,280.00
Cucurbitamaxima	Squash	-	5,097.04	5,097.04
Desmodiumcinereum	Desmodium	-	5,000.00	5,000.00
Solanum melongena	Egg plant	398.00	3,606.00	4,004.00
Solanum melongena	Black Nightshade	3,752.03	-	3,752.03

Cynodon dactylon	Bermuda grass	-	3,578.00	3,578.00
Cucumis sativus	Cucumber	54.50	3,168.76	3,223.26
Pennisetum clandestinum	kikuyu grass	-	3,000.00	3,000.00
Satureja hortensis	Summer savory	-	2,560.00	2,560.00
Brassica nigra	Mustard	-	2,476.00	2,476.00
Amaranthus spp	Amaranthus	2,130.00	2.00	2,132.00
Crotalaria spp	Crotalaria	2,024.50	-	2,024.50
Solanum melongeana	Brinjal	-	1,828.00	1,828.00
Lactuca sativa	Lettuce	-	1,440.65	1,440.65
Eleusine coracana	Finger millet	1,270.00	-	1,270.00
Festuca spp	Festuca	-	1,032.00	1,032.00
Vicia faba	Broad bean	-	1,000.00	1,000.00
Anethum graveolens	Dill	-	999.50	999.50
Petroselinum crispum	Parsley	-	783.00	783.00
Brassica oleracea	Brocolli	-	641.60	641.60
Raphanus sativus	Radish	50.00	505.00	555.00
Allium porrum	Leek	-	548.00	548.00
Allium fistulosum	Welsh onion	-	528.00	528.00
Beta vulgaris	Swisschard	-	527.01	527.01
Allium schoenoprasum	Chives	-	466.00	466.00
Brassica rapa	Chinese cabbage	-	362.00	362.00
Allium sativum	Garlic	-	350.00	350.00
Apium graveolens	Celery	-	341.50	341.50
Lolium spp	Rye grass	-	320.00	320.00
Cucumis melo	Canteloupe/Melon	-	315.50	315.50
Cyamous tetragocalobe	Cluster bean	-	300.00	300.00
Cleome gynandra	Spider plant	187.50	-	187.50
Brassica rapa	Turnip	-	150.00	150.00
Glycine max	Soya bean	130.00	-	130.00
Brachiaria spp	Bracharia	-	105.00	105.00
Brassica napus	Rape	-	99.00	99.00
Ocimum basilicum	Basil	-	96.60	96.60
Moluccella laevis	Mollucela	-	83.00	83.00
Trifolium sp	Clover	-	80.00	80.00
Eruca sativa	Roquette	-	80.00	80.00
Salviaofficinalis	Sage	-	65.00	65.00
Brassica oleraceavar. botrytis	Cauliflower	-	33.50	33.50
Cucurbita moschata	Butternut	25.00	-	25.00
Thymus vulgaris	Thyme	-	25.00	25.00
Foeniculum vulgare	Fennel	-	22.50	22.50
Brassica carinata	Ethiopian mustard	10.00	-	10.00

Sitvia spp	Sitvia	-	10.00	10.00
Matricaria recutita	Chamomile	-	5.00	5.00
Origanumvulgare	Origanum	-	5.00	5.00
Corchorus olitorius	Jute mallow	4.50	-	4.50
Carica papaya	Pawpaw	-	2.50	2.50
Solanum macrocarpon	African eggplant	-	2.00	2.00
Eruca vesicaria	Rocket	-	2.00	2.00
Mentha spicata	Spearmint	-	2.00	2.00
Rumex spp	Garden sorrel	-	1.00	1.00
Origanum vulgare	Oregano	-	0.33	0.33
GRAND TOTAL		34,007,388.20	4,224,529.01	38,231,917.21

Table 13: Total seed lot weight sampled

Seed Testing

Seed sampled during processing inspection were tested at Nakuru and Kitale seed testing laboratories to determine their purity and germination capacities. Seed that met the minimum purity and germination standards were allowed to be marketed by the various seed companies.

In the period under review, 3,840 samples were tested, an increase from 3,496 samples tested the previous year (Table 14). The number of samples tested in Nakuru and Kitale seed laboratories were 2,949and 891 respectively. Out of the samples tested, 840 failed to meet the minimum quality standards, representing 21.9%.

Number of seed samples tested

Crop	Number Fail	Number Passed	Total Samples
Barley	13	31	44
Fibre	1		1
Maize	89	1204	1293
Oil Crops	10	5	15
Pasture Legumes	2	7	9
Pasture/Lawn	128	112	240
Pulses	69	354	423
Pyrethrum	9		9
Rice	3	28	31
Sorghum/Millet	44	74	118
Vegetables	403	1081	1484
Wheat	69	104	173
Grand Total	840	3000	3840

Table 14: Number of seed samples tested

Seed Health Testing

Seeds are the foundation to crop production and seed health is related to food production in various ways. Health of seeds refers primarily to the presence or absence of disease-causing organisms such as fungi, bacteria, viruses, and insects. Seed-borne pathogens cause disease or death of plants resulting in crop loss. To ascertain the health of seed, health tests are required as part of seed certification. During the period, 104 seed samples were tested for health compared to 214 samples tested the previous year. (Table). The decrease in the number of samples tested was due to most of the potato seed samples being tested at the Plant Quarantine and Bio-security laboratory at Muguga.

Number of samples tested for diseases

Species	No. of samples tested	No. of positive samples	Organisms identified
Potatoes	59	16	Xanthomonas solanacearum
Sorghum	19	19	Exserohilum sp., Aspergillus sp., Fusarium sp.
Cowpea	20	20	
Barley	2	2	Bipolaris tares
Sunflower	3	3	S. sclerotirium, A. helianthi
Maize	1	0	Herbicide damage
Total	104	18	

Table 15: number of samples tested for diseases

International Seed Testing Association (ISTA) Proficiency Test (PT).

Proficiency tests are administered by the international Seed Testing Association (ISTA) to identify laboratories that do not meet the minimum standard of performance that is reasonably expected from an ISTA accredited laboratory. ISTA is the International Association that produces internationally agreed rules for seed sampling and testing, accredits laboratories, promotes research, provides international seed analysis certificates and training, and disseminates knowledge in seed science and technology. This facilitates seed trading nationally and internationally, and also contributes to food security.

During the period under review, the seed laboratory received three seed species and scored A and B in purity and germination respectively (Table 16). However, the result of one species had not been received by the close of the 2013/2014 financial year.

ISTA Proficiency Tests

Row Labels	No. of samples	Test done	SCORE
Pisum sativum	3	Germination	B in germination
Brassica napus	3	Purity/ germ/ Tetrazolium	'A' in Purity, B in Germination, BMP in Tetrazolium
Triticum aestivum	1	Purity/ germination	Results not yet received by the end of 2013-2014
Grand Total	7	7	

Table 16: ISTA Proficiency Tests

ISO 9001:2008 Certified

Post Control

Post control tests are meant to ascertain that the seed certification system is operating satisfactorily. In particular, the test is intended to determine that the characters of varieties have remained unchanged in the process of multiplication and to enable the varietal identity and purity of individual seed lots to be verified.

During the year, 2523 were post controlled (Table 17). However, eight samples of rice did not flower due to environmental conditions. 2,515 samples were satisfactorily tested. Out of this number, 73% passed the post control tests while 27% failed (Figure 24). Failure to meet the post control tests were due diseases such as bacterial wilt, Halo blight, common bean mosaic virus, black rot and anthracnose; off-types, lack of trueness to type and selfing.

Post Control

Scientific name	Number Passed	Number Failed	Total number tested
Abelmoschus esculentus	20	0	20
Agrostis stolonifera	3	0	3
Allium cepa	45	0	45
Allium fistulosum	7	0	7
Allium porrum	5	0	5
Allium schoenoprasum	2	0	2
Amaranthus spp	1	0	1
Anthriscus cerefolium	2	0	2
Apium graveolens	3	0	3
Beta vulgaris	30	0	30
Brassica chinensis	4	0	4
Brassica rapa	2	0	2
Brassica spp	42	0	42
Cajanus cajan	3	0	3
Capsicum spp.	12	0	12
Citrullus lanatus	13	0	13
Cleome gynandra	1	0	1
Coriandrum sativum	11	0	11
Cucumis melo	7	0	7
Cucumis sativus	6	0	6
Cucurbita SPP	15	0	15
Cyamopsis tetragonoloba	1	0	1
Cynodon dactylon	1	0	1
Daucus carota	36	0	36
Diplotaxis tenilifolia	2	0	2
Eruca sativa	1	0	1

Festuca spp	10	0	10
Foeniculum vulgare	1	0	1
Hordeum vulgare	8	13	21
Lablab purpureus	2	0	2
Lactuca sativa	3	0	3
Medicago sativa	2	0	2
Moluccella laevis	1	0	1
Momordica charantia	2	0	2
Nicotiana tabacum	3	0	3
Ocimum basilicum	1	0	1
Oryza sativa/Oryza glaberrima	0	0	8
Petroselinum crispum	7	0	7
Phaseolus coccineus	7	0	7
Phaseolus vulgaris (Dry & Snap)	212	24	236
Pisum sativum	37	0	37
Portulaca oleracea	1	0	1
Raphanus sativus	2	0	2
Salvia officinalis	1	0	1
Secale cereale	1	0	1
Solanum lycopersicum	66	3	69
Solanum melongena	6	0	6
Solanum nigrum	1	0	1
Solanum tuberosum	7	25	32
Spinacia oleracea	8	0	8
Trapaeolum majus	1	0	1
Triticum aestivum	141	1	142
Vigna radiata	1	0	1
Vigna unguiculata	31	0	31
Zea mays (Maize & Sweetcorn)	1004	607	1611
Grand total	1842	673	2523

Table 17: post control

ISO 9001:2008 Certified

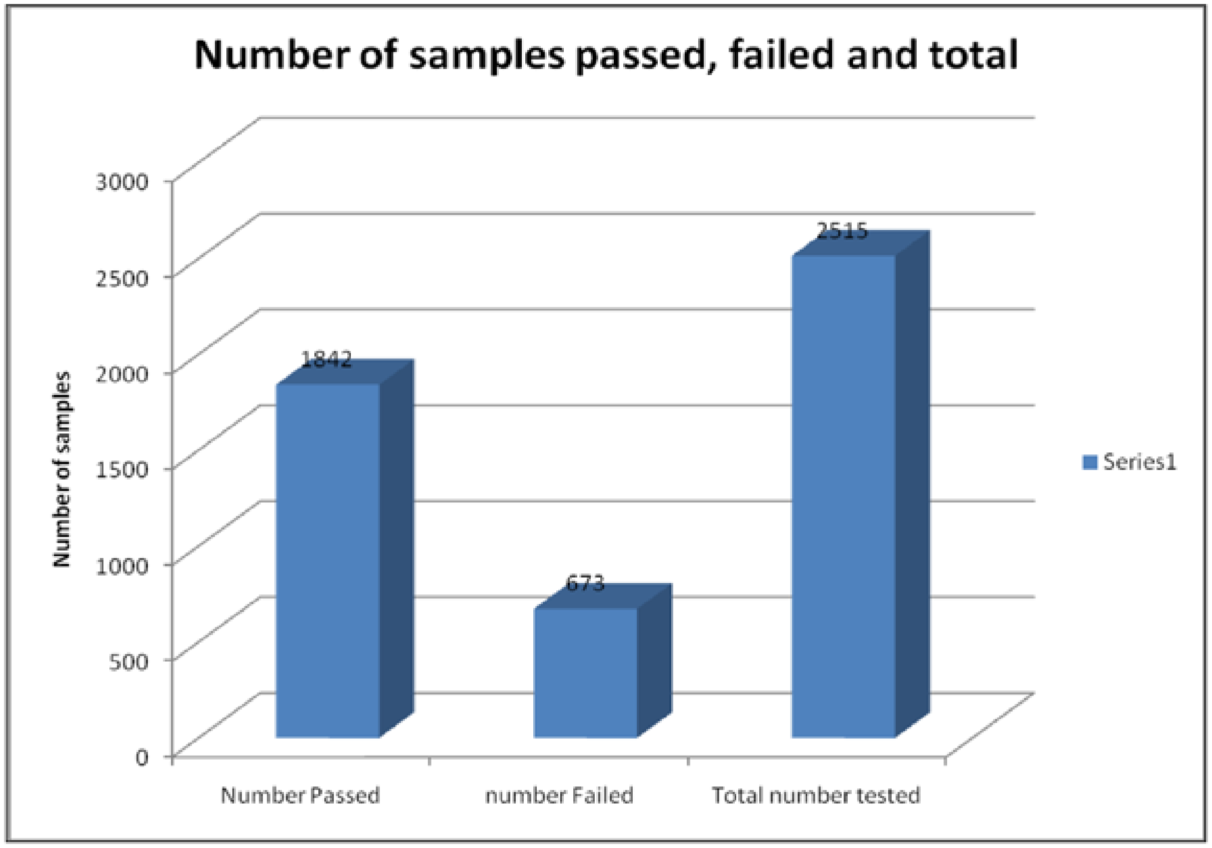


Figure 21:

Seed Post Certification Surveys and Licensing of Seed Stockists

Seed post certification surveys are carried out to ascertain that seed sold to farmers meets the minimum quality standards as set out in the Seeds and Plants Varieties (Seeds) regulations. During these surveys, seed sellers premises are inspected to ensure that their conditions are conducive for keeping seed viable. Seed lots are also verified to confirm their validity.

During this exercise, some seed stockists were found selling seed lots that had failed germination tests. Where such seed lots were found, 'stop sale' orders were issued and the companies concerned informed to recall them from the market. Seed stockists licences were renewed for those licences that had expired while those that did not have applied and paid for theirs. In total 4448 seed licences' were issued in the period under review.

Registration of Seed Merchants

Eighteen new seed merchants were registered (Table 18) in the year, bringing the total number of registered seed merchants to 127.

List of new merchants registered in 2013-2014

	NAME	ADDRESS
1	Agroworld Limited	PO Box 112 -001000 Thika
2	Kakuzi Limited	PO Box 24- 01000 Thika
3	KDVA Seed Service	PO Box 2660 - 30100, Eldoret
4	Oserian Development Company Limited	PO Box 2010-20117 Naivasha
5	Maseno University	PO Box 333 Maseno, Kenya
6	Redwing Limited	PO Box 7112-20110, Nakuru
7	De Ruiter East Africa	PO Box 687-20117, Naivasha
8	Reliefline (Kenya) Limited	PO. Box 16794-00100, Nairobi
9	Quest Agriculture Limited	P.O Box 3097-00506, Nairobi
10	Afriorganic Kenya Limited	PO Box 210 – 10406, Timau
11	Beautyline Limited	PO Box 2035, Naivasha
12	Olooseos Village	POBox 562-00206, Kiserian
13	Bubayi Products Limited	POBox 539-30200, Kitale
14	Cooper K-Brands Limited	PO BOX 50596-00100, Nairobi
15	Intervet Limited	PO BOX 2000-01000, Thika
16	Oigins Limited	PO Box 13034-00200, Nairobi
17	Blooming Africa Limited	PO BOX 668-20116,Gilgil
18	Ahero Irrigation Research Staion	PO BOX 1010,Kisumu

Table 18: List of new merchants registered in 2013-2014

Seed Export

Certified seed was sold locally and to neighbouring countries that included Burkina Faso, Burundi, Djibouti, Eritrea, Ethiopia, Madagascar, Malawi, Mali, Madagascar, Morocco, Nigeria, Rwanda, Southern Sudan, Senegal, Somalia, South Africa, Tanzania, Uganda, Zambia and Zimbabwe. The amount of seed exported was about 4.6% of total seed certified in the period under review. Seed maize formed the bulk of the seed exported, about 44% (Figure 22)

Quantity of seed exported

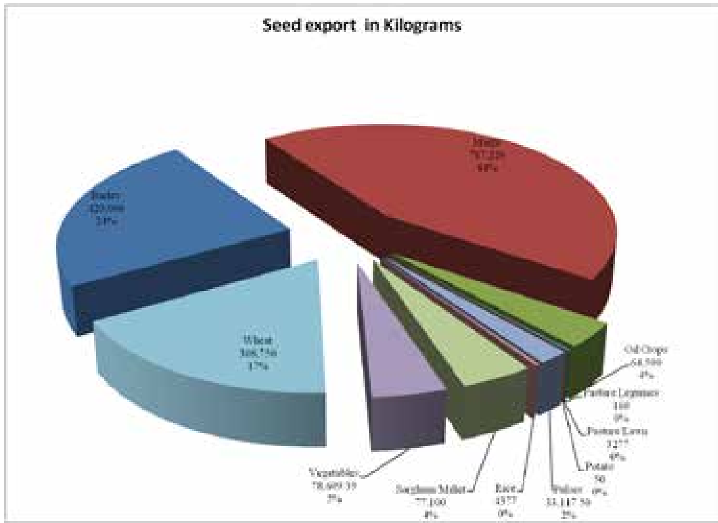


Figure 22: Quantity of seed exported

Variety Maintenance Inspection

The varietal purity of pre-basic, basic and certified seed largely depends on the quality of the breeder's seed. Unless the breeder's seed is of the highest purity and quality, the seed multiplied from it cannot be regarded as of satisfactory genetic purity. It is therefore, of utmost importance that the breeder's seed is produced in such a manner that satisfactory genetic purity, identity and the other good qualities of seed are maintained. This is ensured through inspection during maintenance breeding program at breeder level. In the period under review, various varieties under maintenance program were inspected at various stages of the breeder's seed multiplication stage (Table 19). Rows, plots and/or hectares of varieties that did not conform to the variety description and/or had off types that were rejected.

The bulk of the varieties inspected at all stages in the maintenance breeding program were wheat.

Variety maintenance inspections

Species	Observation	Rows/Plots/Ha	No. Approved	No. Rejection
Solanum tuberosum	Clone A	92	69	15
Solanum tuberosum	Clone B	43	43	0
Solanum tuberosum	Clone C	2.7	2.7	0
Arachis hypogea	Stage 1	1718	1218	500
Chloris gayana	Stage 1	445	357	88
Eleusine coracona	Stage 1	866	338	528
Glycine max	Stage 1	366	206	160
Hordeum vulgare	Stage 1	1,000	528	472
Phaseolus vulgaris	Stage 1	334	276	58
Triticum aestivum	Stage 1	21,262	20,086	1,278
Zea mays	Stage 1	526	449	77
Glycine max	Stage 2	9	9	0
Gossypium hirsutum	Stage 2	1	1	0
Hordeum vulgare	Stage 2	626	330	296
Phaseolus vulgaris	Stage 2	614	613	1
Triticum aestivum	Stage 2	1855	1584	271
Vigna radiata	Stage 2	14	14	0
Vigna unguiculata	Stage 2	20	19	1
Zea mays	Stage 2	37	37	0
Arachis hypogea	Stage 3	1.5	1.5	0
Cicer arientinum	Stage 3	4	4	0
Glycine max	Stage 3	2.03	1.83	0
Hordeum vulgare	Stage 3	14	10	0
Oryza sativum	Stage 3	5.75	5.75	0
Phaseolus vulgaris	Stage 3	22.85	22.85	0
Sorghum bicolor	Stage 3	2.46	2.46	0
Triticum aestivum	Stage 3	981	961	60
Zea mays	Stage 3	25.74	15.34	0.4

Table 19: Variety maintenance inspections

Analytical Chemistry Laboratory(ACL)

The ACL offers comprehensive analytical and advisory services to our customers on agricultural inputs and produce. During the period, Kenya's beans and peas with pods exported to the EU were subjected to a 10% sampling at the official designated ports of entry into the EU and screened for compliance with pesticide residue requirements due to the increased official monitoring of the produce. To promote compliance with EU market requirements, reduce notification due to MRLs exceedances and to ensure food safety, the laboratory carried out follow-up audits for all border rejections, participated in and organized stakeholders awareness forums and trained small scale farmers.

With the acquisition and installation of a new Liquid Chromatography Triple Quadrupole Mass Spectrometer (LC-MS-MS), the laboratory embarked on a program to expand the number of pesticides analyzed, mainly focusing on all pesticides molecules used in beans and peas with pods.

During the period, the laboratory continued to offer advisory services to farmers regarding soil nutrient evaluation and fertiliser recommendations. To assure the quality of agricultural inputs used by farmers, the laboratory implemented a fertiliser monitoring programme for quality and safety. The programme was supported by the Ministry of Agriculture, Livestock and Fisheries to generate a baseline for fertilisers sold locally and subsequently advise on the Fertiliser Policy in Kenya. The laboratory continuously maintained its accreditation to ISO 17025:2005 by SANAS during the period.

A KEPHIS inspector works at the Liquid Chromatography Triple Quadrupole Mass Spectrometer (LC-MS-MS) machine. This state of the art equipment has the capacity to analyze pesticide residues in fresh produce such beans in pods and has enabled Kenya to comply with requirements of fresh produce destined for the key EU market

Sample Analysis

The laboratory sample analyses ranged from plant protection products, fertilizers, manures and organic compost, water for irrigation suitability, soil and plant tissue, animal feed, pesticide residue analysis in agricultural produce and environmental matrices. The table below and Figure 23 summarizes the samples analysed during the year and compares the same with those analysed in the previous two years.

Summary of samples analyzed in the years 2010/2011, 2011/2012 and 2013/2014

	2011-2012	2012-2013	2013-2014
Agricultural samples pesticide analysis	548	905	1073
Fish for pesticide residue analysis	95	56	49
Water for pesticide residue analysis	64	31	34
Sediment for pesticide residue Analysis	47	26	93
Soil	164	107	186
Water for irrigation suitability analysis	35	22	36
Fertilizer	69	563	436
Manure and organic compost analysis	10	4	2
Agrochemical pesticide formulations	201	141	104
Heavy metal contaminants	399	1167	1118
Foods and feeds	67	23	10
Plant tissue	0	3	0
Total	**1699**	**3162**	**3141**

Table 20: Summary of samples analyzed in the years 2010/2011, 2011/2012 and 2013/2014

Samples summary 2011-2012, 2012-2013 and 2013-2014

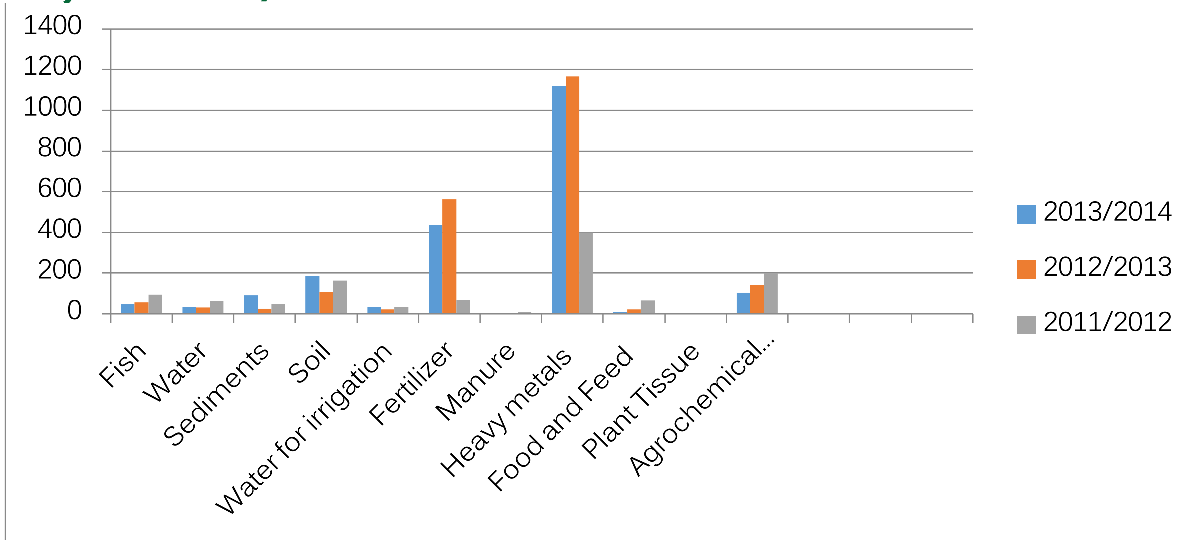


Figure 23: Samples summary 2011-2012, 2012-2013 and 2013-2014

Total sample volume trend in the last 3 financial years

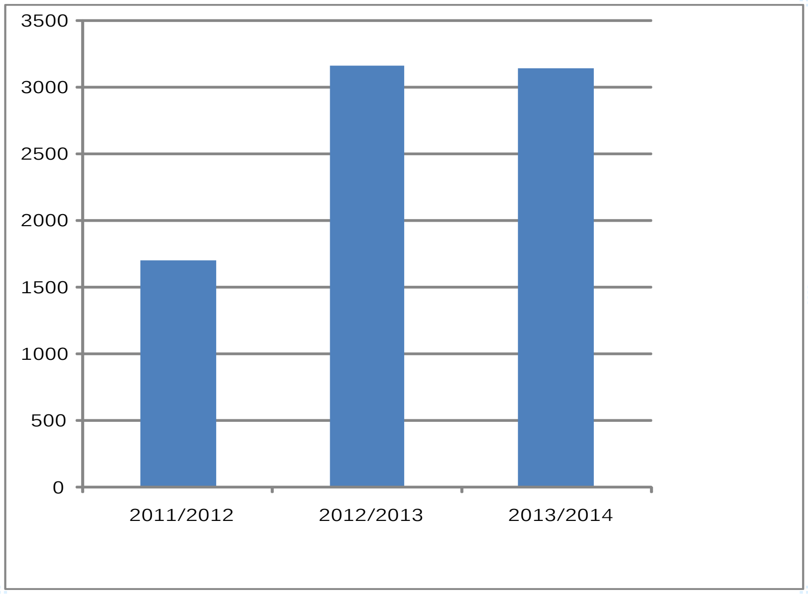


Figure 24: Total sample volume trend in the last 3 financial years

Sample summary for 2013-2014

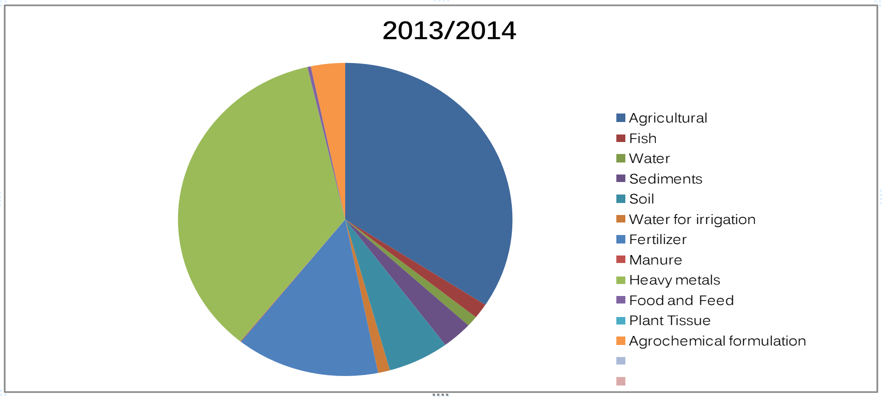


Figure 25: sample summary for 2013-2014

Agricultural Samples

The number of agricultural samples submitted to the laboratory increased by 18.56 %. As shown in Figure 29 this was attributed to an increase in customer samples resulting from the enhanced monitoring and pre-export testing of beans and peas in pods destined to the EU. The trading bloc increased surveillance on the produce effective January 2013.

Agricultural Sample trends in the last three financial years

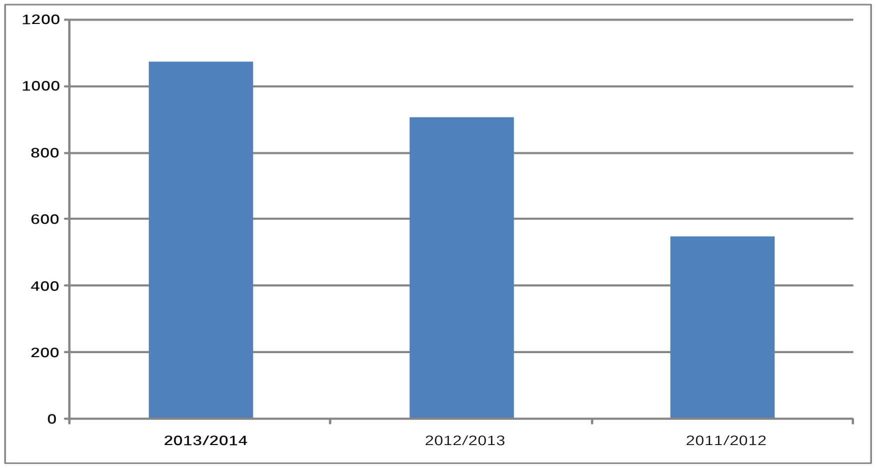


Figure 26: Agricultural Sample trends in the last three financial years

The commodities analyzed included exports, locally consumed and industrial produce as shown in Figure 27. Beans, Peas, Tomatoes, Kales and Passion fruit were included in the monitoring programme.

Agricultural commodities analyzed in the financial year

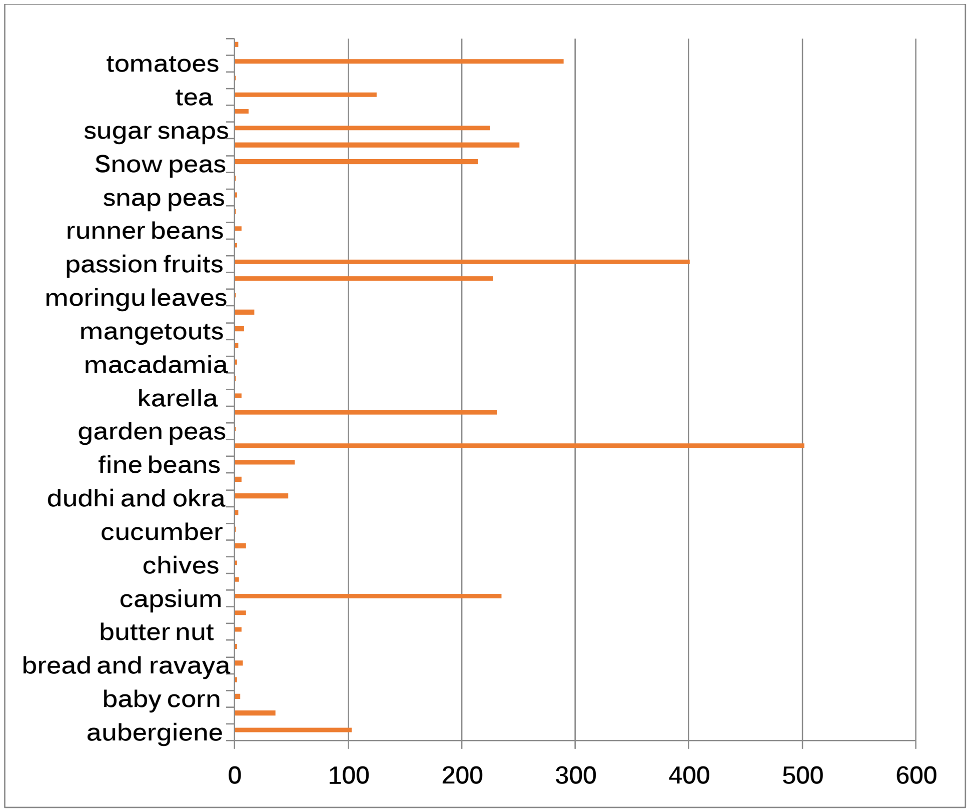


Figure 27: Agricultural commodities analyzed in the financial year

Sugar snaps: one of the commodities sampled and analyzed for export in the year under review

Agricultural customer samples analytical results

Out of the 227 customer samples analyzed one snow pea sample tested positive for α –Cypermethrin, 25 tea samples and 5 French bean samples tested positive for different active ingredients. Table 21 shows the summary of the results including the MRL status.

Summary of customer samples found with pesticide residues in 2013/2014

Commodity	Active ingredient detected	Conc.-mg/kg	Codex MRL-mg/kg	EU MRL-mg/kg
Peas in pods	α -Cypermethrin	0.67	N/A	0.7
Beans in ponds (3 samples)	Chlorpyriphos	0.58, 0.25,0.6	0.01	0.05
Beans in pods	Bifenthrin	0.06	N/A	0.5
Beans in pods	λ-Cyhalothrin	0.2	N/A	0.2
Bean in pods (4samples)	carbendazim	0.01	N/A	N/A
Peas in pods	Metalaxyl	0.05	N/A	N/A
Tea (25 samples)	Azoxystrobin	0.891	N/A	N/A
Tea	Difenoconazole	1.058	N/A	N/A

Table 21: Summary of customer samples found with pesticide residues in 2013/2014

Agricultural National Pesticide Residue Monitoring Plan (NPRMP) samples analytical Results

The NPRMP targeted fresh produce for export and locally consumed produce grown in Kenya. The commodities included beans (with pods) and peas (with pods) for export market and kale, passion fruit and tomatoes for the local market. Export produce samples were collected from licensed exporters pack houses at the exit point (JKIA). The NPRMP was designed in such a way that samples for locally consumed produce were collected from markets throughout the country.

Heavy metal monitoring in fresh produce

In 2013-2014, 695 fresh produce and 280 fertiliser commodities were sampled and analyzed to determine the levels of three heavy metals i.e. Lead, Cadmium and Mercury. Out of the fresh produce analyzed, the percentage of non compliance for three heavy metals was 80%, 55% and 22% respectively. Table 22 gives the breakdown of the non compliance for the different commodities.

Summary of commodities exceeding the maximum recommended limits

Commodity	No. of samples	No. exceeding Mercury max. limit @ 0.1mg/Kg	No. exceeding Lead max. limit @ 0.1mg/Kg	No. exceeding Cadmium max. limit @ 0.1 mg/Kg
Potatoes	214	182	128	42
Carrots	204	174	145	57
Spinach	209	158	75	31
Sweet Potatoes	64	40	34	18
Mangoes	4	4	2	2
Non compliance (No.)		558	384	150
Non compliance (%)		80	55	22
Total No samples	**695**			

Table 22: Summary of commodities exceeding the maximum recommended limits

Environmental monitoring for organic contaminants

The environmental samples analyzed included fish, water and sediment which were analyzed for Organophosphates, Organochlorines, Pyrethroids, Polychlorinated Biphenyl (PCBs) and Triazines. None of the samples tested positive for the contaminants sort. Figure 28 and Figure 29 show the summary of the different matrices analyzed. The number of samples increased significantly from the previous financial year (2012/2013) but slightly below that of 2011/2012 financial year. Most of the samples were submitted by the Fisheries Department for the monitoring program which is required by the EU as a condition for market access hence the higher number of fish samples.

Sample trends for three financial years

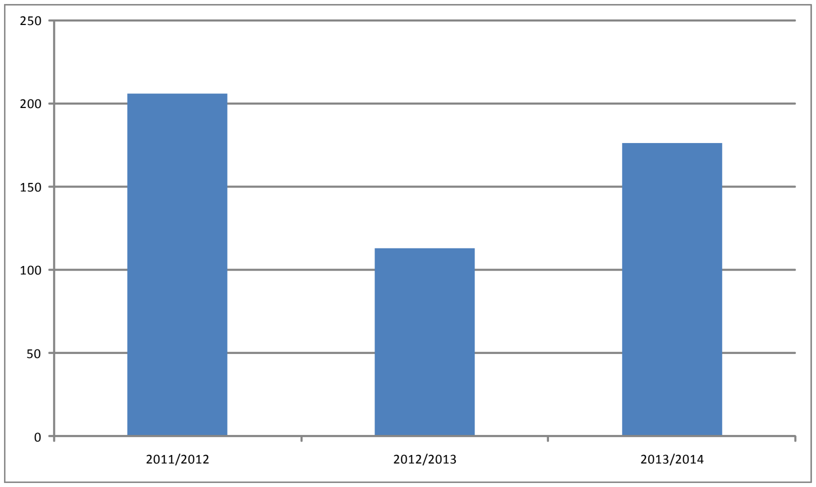


Figure 28 Sample trends for three financial years

Environmental sample type comparison

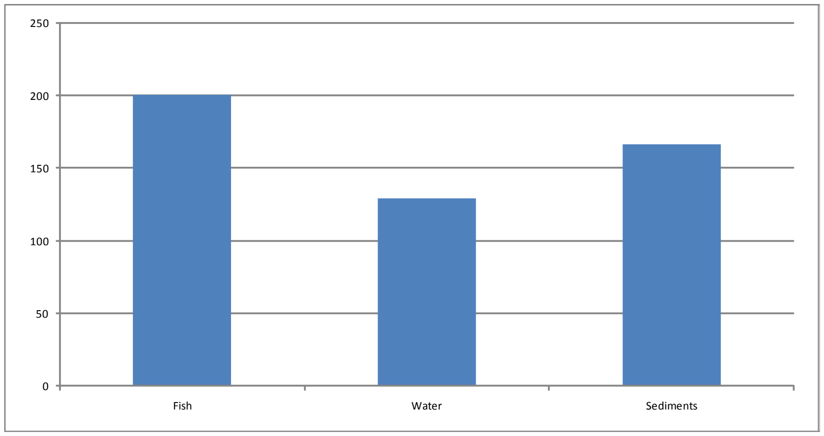


Figure 29: Environmental sample type comparison

Soil for fertility evaluation and fertilizer use recommendations

One hundred and eighty six soil samples were analyzed for fertility evaluation and appropriate remedial recommendations provided to customers. This was a 74% increase from the previous years attributed to NPT trials conducted in Embu KEPHIS office. Figure 33 shows the soil sample trend for the last three financial years.

Soil sample trends for three financial years

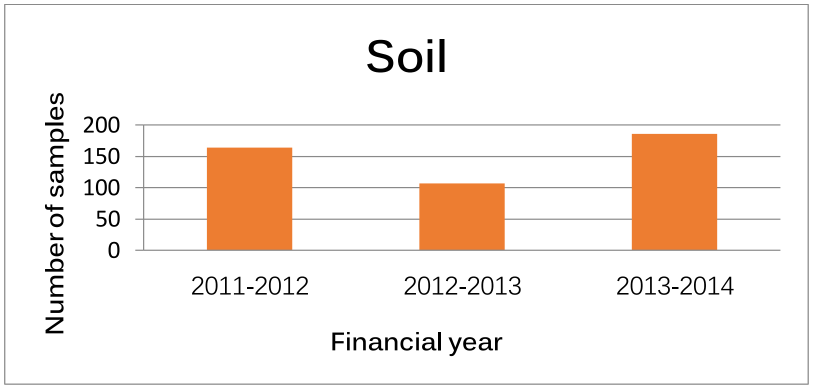
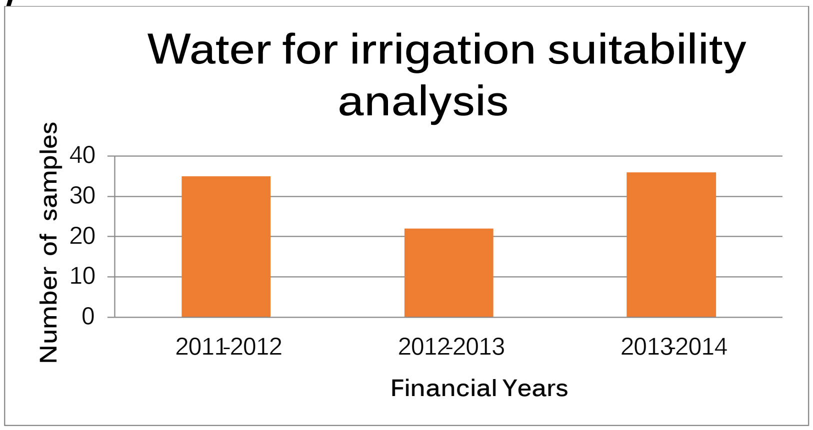


Figure 30: Soil sample trends for three financial years

Water analysis for irrigation suitability

In the period under review, 36 water samples were analyzed and advice provided to clients on the suitability for irrigation in the intended crop(s).

Figure 31: Irrigation water sample trends for three financial years



Fertilizer formulation analysis

The laboratory analysed 380 fertilizer samples from the monitoring program and 56 were submitted by customers. Figure 32 shows the trend of samples analyzed for the last three financial years. There was a slight decline of 22% in the number of customer samples in the current financial year

Fertilizer sample trend for three financial years.

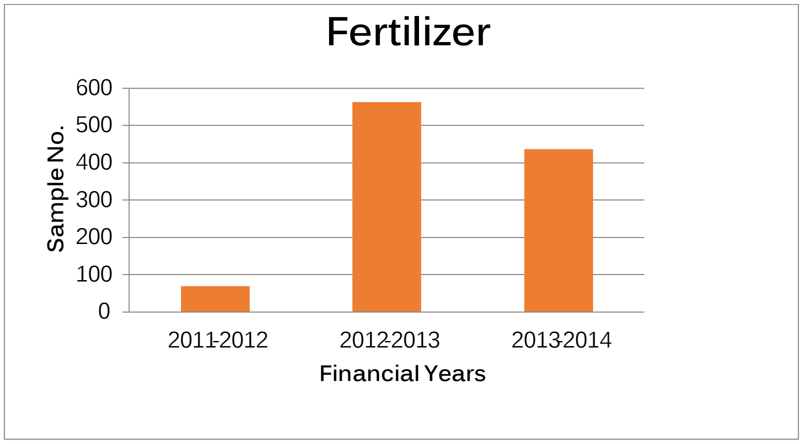


Figure 32: Fertilizer sample trend for three financial years.

Quality monitoring in fertilizers

The laboratory introduced a monitoring program for fertilizer quality and contamination by heavy metals. Heavy metals in fertilizers end up in the food chain, compromising human health while poor quality impacts on food security and economic growth. The summary of the monitoring is presented in Table 23 and Figure 33.

Fertilizer	Compliant	Non-Compliant	Undeclared	Total
NPK	51	117		168
CAN	19	14		33
DAP	34	7		41
UREA	24	3		27
Undeclared			11	11
Totals	128	141	11	280

Table 23: Summary of fertilizer formulations sampled in the monitoring program

ISO 9001:2008 Certified

Fertilizer formulation compliance status

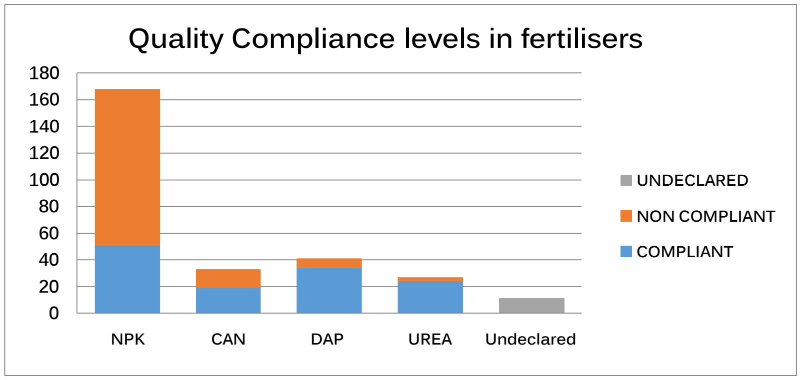


Figure 33: Fertilizer formulation compliance status

Heavy metal contaminants monitoring in fertilizers

Heavy metals in fertilizers end up in the food chain, compromising human health and food trade. The fertilizers were analyzed for Cadmium and Lead. The Kenya Bureau of Standards recommended limits for Lead and Cadmium in fertilizers are 30mg/kg and 7mg/kg respectively. Non compliance to the maximum limits was higher for lead than for cadmium as shown in Figure 34.

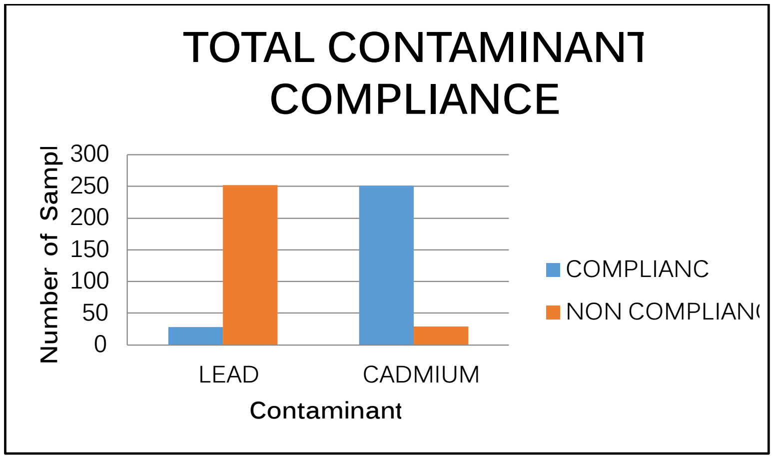


Figure 34

Manure and organic compost analysis

This was undertaken to establish the nutrient contents of these soil amendments and soil structure enhancers to establish their contribution as soil ameliorators. In this period, two samples were analyzed and recommendations provided to clients accordingly. This was a decrease compared to the previous two years, due to suspension of analytical services during the laboratory re-location.

Food and feed Analysis

During the period under review, 10 samples were analyzed and reported.

Pest control products formulation analysis

The number of samples reduced from that of the previous year. This was as a result of suspension of services for two months after the re-location of the laboratory.

Sample volume trend in three financial years

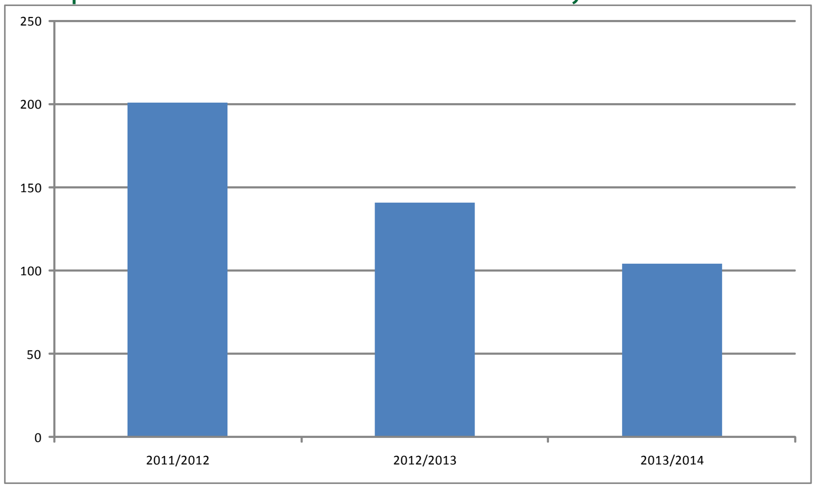


Figure 35: Sample volume trend in three financial years

Program for training small scale farmers of peas in pods on compliance to EU market requirements. The program targeted training small scale farmers of peas with pods on compliance with EU market requirements. The trainings were held at Mawingo, Kinangop, Njabini and Nyahururu areas of Nyandarua County. Organized farmers groups growing this produce for the export market were involved in the program. The program was carried out in four stages in a period of 8 weeks; the farmers were taken through GAP involved in the various stages of active growth of peas with pods.

The ACL led a team of officers from HCD and PCPB in facilitating the training. Eight farmer groups comprising of 178 farmers were trained.

CORPORATE PLANNING ACTIVITIES

Strategic Focus

During the period under review, the Corporation continued to implement the 2012-2017 Strategic Plan. Going forward, the corporation shall ensure that the laid out strategic objectives are met and are in line with key national economic development blueprints that include the Kenya Vision 2030, the Vision 2030 MTP and the ASDS. The implementation of the devolved system of government is key to the operations of KEPHIS; therefore, the Corporation has set out plans to work with the established county governments through stakeholder interactions and consultative engagements.

Performance contracting

Performance contracting remains a very important management tool within the public sector. Through benchmarking and adoption of best practise, the Corporation has been able to improve its performance. Key milestones attained during the period under review include the following:

1. Expansion of the Electronic e-certification system for exports top over 730 users
2. Development of the electronic pest surveillance system with linkages to farmers
3. Laboratory accreditation to international standards for international recognition
4. Capacity building of plant health experts in Kenya and the region through the COPE program
5. Introduction of new high yielding varieties suitable for the agricultural sector
6. Membership to international conventions resulting to enhanced integration and international trade
7. Customer satisfaction index that achieved a high of 74.2%

Quality Management Systems

The ISO 9001:2008 certification forms an integral part in the management of KEPHIS processes. This has greatly enhanced standardization of services offered, increased customer satisfaction and provided opportunities for continual improvement. During the period, the Corporation successfully carried out internal and surveillance audits in all stations.

The Corporation's key laboratories i.e. the Seed Testing and the Analytical Chemistry Laboratories are also accredited to ISO 17025:2005. The process to accredit the Plant Health Laboratory at Muguga was initiated and is expected to be concluded in the next financial year.

Public Relations and Corporate Communications

Agricultural Society of Kenya and County Shows

The Corporation took part in 14 Agricultural Society of Kenya (ASK) shows countrywide (Eldoret, Nanyuki, Meru, Embu, Kakamega, Nakuru, Kisii, Kisumu, Mombasa, Nyeri, Nairobi, Migori, Kabarnet and Kitale) and organized field days in Kakamega High School, Kakamega County and Eldama Ravine, Baringo County.

The aim of these outreaches is to sensitize stakeholders, particularly farmers, on the three key mandates of the Corporation, specifically the use of certified seed that leads to enhanced harvests, how to identify and manage pests to promote food security and the importance of analyses of agro-inputs such as soil, fertilizers, foliar feeds and produce destined for export markets and other advisory services to farmers. Approximately 5,000 farmers were sensitized by these activities.

County governments are recognizing the importance of engagement with farmers through shows and other stakeholder forums; KEPHIS shall continue to collaborate with county governments to ensure that farmers are educated on important agricultural matters to enhance food security in the country.

Corporate Social responsibility, Eldama Ravine, Baringo County

The Corporation held its annual CSR activity in Eldama Ravine Children's Home, Baringo County. The home hosts about 30 children from single parent and orphaned homes; the children are also affected or infected with HIV/AIDS. Beddings, beds, 20 bags of maize and a calf were donated to the home to aid in the children's growth and development.

In the photos: Beddings, maize and a calf donated to the Eldama Ravine Children's Home as part KEPHIS CSR activity in the year under review

Staff with children of the home during last year's CSR activity

Baseline Survey on Stakeholders Access to Information and Re-branding of the Corporate Website

The government is keen on how state organizations disseminate information to their stakeholders, as effective and efficient communications greatly enhances service delivery. In line with this, KEPHIS conducted its first baseline survey on access to information and communications by stakeholders countrywide. One of the results of the survey was the re-branding of the KEPHIS website to reflect an emphasis in digital communications. Unlike the previous website, the current one is a one-stop shop for corporate information, has current news on activities in the Organization, is branded in the Organization's corporate colours, user friendly, has incorporated social media pages and also has information on the core mandates of the Corporation. Users of the website can access corporate documents at the click of a button. Thus, the new website will greatly aid in disseminating information particularly to online visitors.

Projects Coordination Office

The Corporation continues to collaborate with local and international donors and stakeholders in the implementation of various core activities. During the period, the projects coordination office undertook a number of activities linked to COPE, ASSIP Project, SMAP Project, National Taskforce on Horticulture, among others as follows:

Projects implemented during the 2013-2014 period and milestones

PROJECT	PROGRESS
COPE	-COPE and the EAPIC organized an e-learning course as a pilot test on e-learning which started in the fourth quarter of the year. The four week course had 34 students trained electronically on the introduction to international treaties & standards in phytosanitary systems and pest risk analysis. The participants were from Kenya, Uganda, Rwanda and Zambia. -COPE and EAPIC developed a month long program to update the Pest Information Management System (PIMS). In June 2014, a meeting was held to test the system against the user requirements; from this meeting it was agreed that a few issues need to be changed within the system before data uploading. -In June 2014 the technical team entered data required for the system to work and the process completed. In July, it is projected that data uploading will be done and final user acceptance test will be done; it was also projected that the System would be ready for use by the end of July 2014. -The PC target of training 125 users was met as another 34 stakeholders were trained in June 2014 to bring the final total to 135.

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ASSIP-Kenya	-The final user acceptance test was done -Super trainers were trained on how to use the ASSIP System. -The Project Steering Committee meetings were held where a number of issues were discussed including extending the time for the project to December 2014. There are issues within the ECS system that needed to be updated under the ASSIP Project. The delay was mainly due to the integration of ASSIP and the KNSWS. -It is projected that next year a pilot testing and training of selected importers will be done together with stakeholder awareness sessions. -It is also projected that in the months of July and August 2014 capacity building will be done to all KEPHIS staff on how to use the ASSIP System. -The PC target of completing by 31st December 2014 is on course; software is now ready for use with the online software launch projected for July 2014. The public launch will be later in the year.
SMAP	-The SMAP Project has commenced; the EU indicated it will pay the pre-financing amount to KEPHIS. The SMAP Technical Assistance Team from AESA is in place from mid June 2014. -The list of equipment to be purchased under SMAP was finalized and it is projected that in July preparation of the tender document of the equipment will be made. -The SMAP team met on 27th June 2014 at KEBS to discuss frequency of meetings and the role of the coordination; they received comments from the EU, The National Treasury, DVS, KEPHIS and KEBS.
NTH and HCA	The National Taskforce on Horticulture met on 12th June 2014 and discussed interventions taken in facilitating increased controls of exported beans and peas in pods to the EU, validated horticulture data for 2013 and the EPA negotiations progress to date.

SUPPORT SERVICES

Information Communication & Technology

The Corporation has prioritized embracing ICT in all of its programs. During the period under review, the Corporation continued to implement various ICT projects which included the ECS, Laboratory Information Management System (LIMS), Service delivery through use of Short code Messaging Service (SMS) and electronic early warning pest surveillance system. In addition, KEPHIS launched the ASSIP Kenya project. The System will be completed in the next financial year and is expected to streamline the import certification processes. In support of the National Policy where all government agencies use a single system to clear goods and services imported into Kenya, KEPHIS continues to work closely with KENTRADE in the establishment of the Kenya National Single Window System. The Corporation shall ensure its systems are integrated with the system.

Finance

During the period under review, the Corporation performed tremendously well in its financial targets. Key among the achievements was the marked increase in revenue streams by 3%. Cost reduction was also well managed resulting in savings of KES 2.8 million against an annual target of KES 1million. Capital expenditure was also on the increase with the Corporation returning a development index of 11% against a target of 9.3 %. All these results were made possible by implementing prudent financial policies during the year.

FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL PERFORMANCE
For the year ended 30 June 2014

	Notes	2013-14	2012-13
		Kshs '000	Kshs '000
			Restated
Revenue from non-exchange transactions			
Public Contributions and Donations	3	66,561.06	43,815.19
Transfers from other governments–gifts and services-in-kind	4	392,173.86	393,714.14
		458,734.92	**437,529.32**
Revenue from exchange transactions			
Rendering of services	5	538,781.52	471,069.35
Hire of Facilities		7,559.91	12,016.62
Finance income-external investments		1,392.87	1,192.96
Other income	6	2,516.03	1,140.44
		550,250.33	485,419.36
Total revenue		**1,008,985.25**	**922,948.69**
Expenses			
Employee costs	7	447,055.82	434,088.08
Board Expenses	8	2,996.07	3,997.38
Depreciation and amortization expense	9	84,609.95	71,978.21
Repairs and maintenance	10	42,760.90	43,282.87
Grants and subsidies	11	53,202.00	43,815.19
General expenses	12	304,641.12	310,267.90
Total expenses		**935,265.85**	**907,429.62**
Other gains/(losses)			
Gain on sale of assets		599.68	(4,255.75)
Gain on foreign exchange transactions		490.48	(564.47)
Reduction in provision for doubtful debts		477.61	111.97
Foreign currency translation		126.29	3.49
		75,413.46	**10,814.30**
Surplus for the period		75,413.46	10,814.30
Attributable to:			
Surplus attributable to Government of Kenya		**75,413.46**	**10,814.30**

STATEMENT OF FINANCIAL POSITION
As at 30 June 2014

		2013-14	2012-13
		Kshs '000	Kshs '000
			Restated
Assets			
Current assets			
Cash and cash equivalents	13	156,421.11	161,678.06
Receivables from exchange transactions	14	77,368.85	86,443.53
Receivables from non-exchange transactions	15	3,790.72	1,308.35
Pre-payments	15	32,902.63	22,990.68
		270,483.30	**272,420.61**
Non-current assets			
Property, plant and equipment	17	1,158,923.98	1,147,144.15
Investments	16	60,000.00	60,000.00
		1,218,923.98	1,207,144.15
Total assets		**1,489,407.28**	**1,479,564.76**
Liabilities			
Current liabilities			
Trade and other payables from exchange transactions	18	35,941.10	77,217.69
Provisions	20	500.00	6,100.00
Deferred income	21	24,319.63	41,859.93
Payments received in advance		2,247.16	2,346.86
Other payables	19	4,584.23	5,028.49
		67,592.12	132,552.96
Total liabilities		**67,592.12**	**132,552.96**
Net assets		1,421,815.00	1,347,011.80
Reserves		451,324.13	451,197.84
Accumulated surplus		970,490.80	895,813.96
Total net assets and liabilities		**1,421,815.00**	**1,347,011.80**

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STATEMENT OF CHANGES IN NET ASSETS

For the year ended 30 June 2014

	Revaluation Reserve Kshs '000	Accumulated surplus Kshs '000	Translation Reserve Kshs '000	Total Kshs '000
Balance as at 30 JUNE 2012	**451,194.34**	**885,796.87**		**1,336,991.22**
				-
Surplus/(deficit) for the period	-	10,810.81		10,810.81
Transfers to/from accumulated surplus	-	(793.73)		(793.73)
Currency translation differences			3.49	3.49
Balance as at 30 JUNE 2013	**451,194.34**	**895,813.96**	**3.49**	**1,347,011.80**
				-
Surplus for the period	-	75,287.17		75,287.17
Transfers to/from accumulated surplus	-	(610.33)		(610.33)
Currency translation differences			126.29	126.29
Balance as at 30 JUNE 2014	**451,194.34**	**970,490.80**	**129.78**	**1,421,815.00**

STATEMENT OF CASH FLOWS

Cash flows from operating activities

	Notes	2013-14 Kshs '000	2012-13 Kshs '000 Restated
Receipts			
Public contributions and donations		45,019.55	76,317.26
Government grants and subsidies		382,816.00	403,072.00
Rendering of services		535,939.49	479,538.44
Other income, rentals and agency fees		12,085.58	13,901.01
		975,860.62	**972,828.71**
Payments			
Compensation of employees		447,055.82	434,088.08
Goods and services		446,755.55	363,068.08
Rent paid		4,265.07	2,243.05
Grants and subsidies paid		610.33	793.73
		898,686.77	**800,192.94**
Net cash flows from operating activities	22	**77,173.85**	**172,635.77**
Cash flows from investing activities			
Purchase of property, plant, equipment and intangible assets		(83,730.80)	(130,993.29)
Proceeds from sale of property, plant and equipment		1,300.00	1,916.27
Net cash flows used in investing activities		**(82,430.80)**	**(129,077.02)**
Net cash flows used in financing activities		-	-
Net increase/(decrease)in cash and cash equivalents		(5,256.95)	43,558.75
Cash and cash equivalents at 1July 2013		161,678.06	118,119.31
Cash and cash equivalents at 30 June	13	**156,421.11**	**161,678.05**

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

Revenue	Original budget 2013-2014 Kshs '000	Adjustments 2013-2014 Kshs '000	Final budget 2013-2014 Kshs '000	Actualon comparable basis 2013-2014 Kshs '000	Performance difference 2013-2014 Kshs '000
Public contributions and donations	91,077.99		91,077.99	66,561.06	24,516.92
Government grants and subsidies	430,800.00		430,800.00	392,173.86	38,626.14
Rendering of services	452,200.00		452,200.00	538,781.52	86,581.52
Finance Income	1,300.00		1,300.00	1,392.87	92.87
Rental income and Hire of Facilities	8,000.00		8,000.00	7,559.91	440.09
Gain on disposal of assets	-		-	599.68	599.68
Other income	3,000.00		3,000.00	2,516.03	483.97
Total income	**986,377.99**		**986,377.99**	**1,009,584.93**	**23,206.94**
Expenses			-		
Employee costs	459,600.14		459,600.14	447,055.82	- 12,544.32
Board Expenses	5,630.00		5,630.00	2,996.07	2,633.93
Depreciation and amortization expense	73,415.30		73,415.30	84,609.95	11,194.65
Repairs and maintenance	64,961.21		64,961.21	42,760.90	22,200.31
Grants and subsidies	91,077.99		91,077.99	53,202.00	37,875.99
General expenses	291,693.35		291,693.35	304,641.12	12,947.77
Total expenditure	**986,377.99**		**986,377.99**	**935,265.85**	**51,112.13**
Surplus for the period	**-**	**-**	**-**	**74,319.08**	**74,319.08**

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