

Voluntary Report – Voluntary - Public Distribution

Date: December 23, 2021

Report Number: KE2021-0019

Report Name: Government of Kenya Exempts Duties for Conventional
Animal Feed Ingredients

Country: Kenya

Post: Nairobi

Report Category: Agriculture in the News, Agricultural Situation, Cotton and Products, Grain and
Feed, Oilseeds and Products

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Report Highlights:

On December 10, 2021, the Government of Kenya announced it would grant exemptions to tariffs on non-genetically-modified (GM) feed ingredients in response to rising feed costs. Exemptions were granted to 18 Kenya millers for yellow maize, soy meal, soybeans, cottonseed cake, sunflower seed, white sorghum, and fish meal. According to local sources, the exemptions are unlikely to lower prices due to limited global supplies of non-GM feed ingredients.

Government of Kenya Exempts Duties for Conventional Animal Feed Ingredients

On December 10, 2021, the Government of Kenya (GoK) announced that it would exempt key animal feed ingredients from import duties as part of an effort to respond to rising feed prices. The exemption applies to yellow maize, soy meal, soybeans, cottonseed cake, sunflower seed cake, white sorghum, and fish meal. Exemptions were granted to 18 licensed millers who were each issued product-specific quotas for duty-free importation valid until October 31, 2022.

The exemption was issued following the declaration of Kenya's drought and feed shortage as a national emergency by President Kenyatta on September 8, 2021. Kenya is currently suffering from a dramatic increase in feed prices due to a shortage of ingredients. From June 2021 to October 2021, prices for soybeans, pollard, and sunflower cake increased by 69 percent, 55 percent, and 46 percent respectively.¹

Local sources note that the GoK's decision to lift duties on ingredients is unlikely to alleviate Kenya's feed crisis as Kenya bans most genetically-modified (GM) feed ingredients, significantly limiting access to international sources of feed ingredients.² The decree granting duty exemptions is not likely to reduce the cost of feed as Kenya's primary constraint is a lack of an adequate supply of ingredients from non-GM producing countries.

Product-specific requirements for duty-free imports are as follows.

Imported yellow maize:

- It shall not be genetically modified in accordance with the laws of Kenya and Kenyan standards applicable under the laws of Kenya and implemented by the Kenya Bureau of Standards (KEBS), and the National Biosafety Authority (NBA).
- It shall have a moisture content not exceeding 13.5% as provided for under the laws of Kenya and Kenyan standards (KS EAS2:2017).
- Its aflatoxin levels shall not exceed ten (10) parts per billion (ppb) as provided for under the laws of Kenya and Kenyan Standards (KS EAS2:2017) implemented by KEBS, and the Department of Veterinary Services (DVS).
- It shall be accompanied by a certificate of conformity issued by KEBS.
- It shall be used for the manufacture of feeds only.
- It shall have been imported on or before October 31, 2022.

Imported soybean, soybean meal, cottonseed cake, sunflower cake, white sorghum, and fishmeal:

¹ From June to October, soybean prices increased from \$616 to \$1038 per metric ton (MT), pollard prices increased from \$176 to \$273 per MT, and sunflower cake increased from \$229 to 334 per MT.

² Currently, only Bt. cotton is approved for cultivation or commercialization in Kenya. Despite Kenya's approval of Bt. cotton, the duty exemption only applies to non-GE cottonseed cake.

- They shall not be genetically modified, in accordance with the laws of Kenya and Kenyan standards applicable under the laws of Kenya and implemented by KEBS and NBA.
- They shall be accompanied by a certificate of conformity issued by KEBS.
- They shall meet all standards as set by KEBS.
- They shall be used for the manufacture of animal feeds only.
- They shall have been imported on or before the October 31, 2022.

Kenya applies the following tariffs on feed ingredients:

Table 1: Kenya Tariffs on Key Feed Ingredients

Yellow Maize	50 percent
Soy Bean Meal	10 percent
Soy Beans	10 percent
Cottonseed Cake	10 percent
Sunflowerseed Cake	10 percent
White Sorghum	25 percent
Fish Meal	10 percent

A copy of the announcement lifting tariffs is below:

THE EAST AFRICAN COMMUNITY CUSTOMS MANAGEMENT ACT, 2004

EXEMPTION FROM IMPORT DUTY ON IMPORTED RAW MATERIAL USED IN THE MANUFACTURE OF ANIMAL AND CHICKEN FEED

IT IS notified for the general information of the public that following the declaration of the drought affecting parts of the country a national disaster by H.E the President on the 8th September, 2021 and pursuant to section 114 (2) of the East African Community Customs Management Act, 2004, read with paragraph 20 of Part B of the Fifth Schedule to the Act, an exemption from import duty shall apply in respect of imported raw materials used in the manufacture of animal and chicken feed imported between the 1st November, 2021 and 31st October, 2022 by licensed Millers approved by the Government as set out in the Schedule hereto:

SCHEDULE

Feed Miller	Yellow Maize	Soya Bean Meal	Soya Bean	Cotton Seed Cake	Sunflower Seed Cake	White Sorghum	Fish Meal
Belfast Millers Limited	10,000	4,000	-	-	-	-	-
Bideo Africa Limited	50,000	-	20,000	3,000	6,000	10,000	5,000
Economy Farm Feeds Product (K) Limited	7,200	2,800	-	-	4,800	-	-
Essential Drugs Limited	-	-	-	-	-	-	500
Farmers Choice Limited	5,000	1,000	1,500	-	-	1,000	500
Farmers Fresh Feeds Limited	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Isinya Feeds Limited	25,000	-	5,000	-	-	-	-
Kitale Industries Limited	5,000	2,000	-	1,000	1,000	-	-
Maisha Flour Mills Limited	250	500	-	500	500	-	250
Mombasa Maize Millers Limited	10,000	3,000	-	1,000	2,000	-	-
Muringa Limited	-	5,000	-	-	-	-	1,000
Organic Proteins Limited	-	4,000	-	-	4,000	-	-
Pembe Flour Mill Limited	40,000	40,000	-	10,000	15,000	15,000	15,000
Rift Valley Products Limited	4,500	2,500	-	-	25,000	-	-
Sigma Feeds Limited	20,000	5,000	-	-	-	-	500
Soy Pro Limited	-	40,000	6,000	-	18,000	-	-
Treasure Feeds Limited	4,000	1,500	750	-	2,000	3,000	1,000
Unga Farm Care (EA) Limited	40,000	10,000	20,000	-	-	-	-
Total Import Target in Metric Tonnes	225,950	126,300	58,250	20,500	83,300	34,000	28,750

The companies listed in the first column of this Schedule may import the specified animal feeds raw materials in quantities set out in the subsequent columns for use in the manufacture of animal and chicken feed. The total import shall not exceed targets as set out in this Schedule.

ADDITIONAL INFORMATION

1. The imported Yellow Maize shall meet the following conditions –

(a) it shall not be genetically modified (i.e. Non-GMO) in accordance with the laws of Kenya and Kenyan standards applicable under the laws of Kenya and implemented by the Kenya Bureau of Standards and the National Biosafety Authority;

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THE KENYA GAZETTE

10th December, 2021

(b) it shall have a moisture content not exceeding 13.5% as provided for under the laws of Kenya and Kenyan standards (KS EAS2:2017) applicable under the laws of Kenya and implemented by the Kenya Bureau of Standards; and

(c) its aflatoxin levels shall not exceed ten (10) parts per billion (ppb) as provided for under the laws of Kenya and Kenyan Standards (KS EAS2:2017) implemented by the Kenya Bureau of Standards and the Department of Veterinary Services under the State Department of Livestock –

(i) it shall be accompanied by a certificate of conformity issued by the Kenya Bureau of Standards;

(ii) it shall be used for the manufacture of Animal and Chicken feeds only; and

(iii) it shall have been imported on or before the 31st October, 2022.

2. The imported Soya bean, Soya bean meal, Cotton seed cake, Sunflower cake, white sorghum or fishmeal shall meet the following conditions –

(a) it shall not be genetically modified (i.e. Non-GMO) in accordance with the laws of Kenya and Kenyan standards applicable under the laws of Kenya and implemented by the Kenya Bureau of Standards and the National Biosafety Authority;

(b) it shall be accompanied by a certificate of conformity issued by the Kenya Bureau of Standards;

(c) it shall meet all standards as set by the Kenya Bureau of Standards;

(d) it shall be used for the manufacture of animal feeds only; and

(e) it shall have been imported on or before the 31st October, 2022.

Dated the 25th November, 2021.

UKUR YATANI,
Cabinet Secretary for the National Treasury and Planning.

Attachments:

No Attachments.