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**THE NATIONAL CEREALS AND PRODUCE BOARD
(NATIONAL STRATEGIC RESERVE) REGULATIONS, 2023**

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National Cereals and Produce Board Act

The National Cereals and Produce Board (National Strategic Reserve) Regulations, 2023

Legal Notice 139 of 2023

Legislation as at 13 October 2023

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The National Cereals and Produce Board (National Strategic Reserve) Regulations, 2023 (Legal Notice 139 of 2023)

Contents

- Part I – Preliminary 1
 - 1. Citation 1
 - 2. Interpretation 1
 - 3. Purpose 1
- Part II – NATIONAL STRATEGIC RESERVE 2
 - 4. Content of the national strategic reserve 2
- Part III – FOOD BALANCE SHEET COMMITTEE 2
 - 5. Appointment of the Committee 2
 - 6. Membership of the Committee 2
 - 7. Functions of the Committee 3
 - 8. Revocation of L.N. 25 of 2023 3
- FIRST SCHEDULE [r. 5(2)] 3
- SECOND SCHEDULE [r. 2] 4

NATIONAL CEREALS AND PRODUCE BOARD ACT

THE NATIONAL CEREALS AND PRODUCE BOARD (NATIONAL STRATEGIC RESERVE) REGULATIONS, 2023

LEGAL NOTICE 139 OF 2023

Published in Kenya Gazette Vol. CXXV—No. 225 on 13 October 2023

Commenced on 12 August 2023

Part I – Preliminary

1. Citation

These Regulations may be cited as the National Cereals and Produce Board (National Strategic Reserve) Regulations, 2023.

2. Interpretation

In these Regulations unless the context otherwise requires—

"Act" means the National Cereals and Produce Board Act (Cap. 338);

"base stock" means ninety thousand metric tons or three-month food requirement of the country's food insecure population, whichever is higher and whose value is calculated based on maize consumption equivalent;

"Board" means the National Cereals and Produce Board established by section 3 of the Act;

"Cabinet Secretary" means the Cabinet Secretary for the time being responsible for matters relating to agriculture;

"Committee" means the Food Balance Sheet Committee established under regulation 5(1);

"digital food balance sheet" means a tool for monitoring and evaluating national food patterns to inform food security policy interventions;

"food-insecure population" means the number of people in the country who are not able to meet their daily food needs for an extended period of time due to social, natural or economic conditions;

"maize consumption equivalent" means the financial value of food commodities which is equated to the financial value of maize;

"national strategic reserve" means the commodities listed under the Second Schedule;

"price stabilisation" means the sale and purchase of food commodities from and into the national strategic reserve;

"warehouse receipt system" has the meaning assigned to it under section 2 of the Warehouse Receipt System Act (Cap. 350).

3. Purpose

The purpose of these Regulations shall be the management of the national strategic reserve.

Part II – NATIONAL STRATEGIC RESERVE

4. Content of the national strategic reserve

- (1) The national strategic reserve shall consist of—
 - (a) base stock and the monetary equivalent thereof; and
 - (b) price stabilization and the monetary equivalent thereof.
- (2) The quantity of the stock referred to in sub-regulation (1)(b) shall be determined by the Committee based on the prevailing market demand and supply conditions as communicated to the Board.
- (3) The quantity of the stock referred to in sub-regulation (1)(b) shall be calculated based on the maize consumption equivalent.
- (4) The base stock and the price stabilization stock shall be held in the form of warehouse receipts or physical stocks.

Part III – FOOD BALANCE SHEET COMMITTEE

5. Appointment of the Committee

- (1) Pursuant to section 6 of the Act, there shall be a Food Balance Sheet Committee which shall be a committee of the Board.
- (2) The conduct of the affairs of the Committee shall be as set out in the First Schedule.
- (3) Except as provided in the First Schedule, the Committee may regulate its own procedure.

6. Membership of the Committee

The Committee shall consist of the following members appointed by the Board—

- (a) a chairperson who shall be a holder of a degree from a University recognized in Kenya and have at least ten years' experience on food security;
- (b) the Principal Secretary of the State Department responsible for crop development or a person nominated by the Principal Secretary in writing;
- (c) the Principal Secretary of the State Department responsible for livestock production or a person nominated by the Principal Secretary in writing;
- (d) the Principal Secretary of the State Department responsible for fisheries or a person nominated by the Principal Secretary in writing;
- (e) the Chairperson of the Council of Governors or a person nominated by the Council;
- (f) the chairperson of the Board of Directors of the Kenya National Bureau of Statistics or a person nominated by the Board in writing;
- (g) the Principal Secretary of the State Department responsible for internal trade or a person nominated by the Principal Secretary in writing;
- (h) the Principal Secretary responsible for the Kenya Meteorological Department or a person nominated by the Principal Secretary in writing;
- (i) the Chairperson of the Board of Directors of the Agriculture Sector Network or a person nominated by the Board in writing;
- (j) one person representing warehouse operators in Kenya and appointed by the Board in writing; and

- (k) the Managing Director of the Board, who shall be the Secretary of the Committee.

7. Functions of the Committee

- (1) The functions of the Committee shall be to—
- (a) generate, analyse and submit the information required to determine the quantities of the national strategic reserve;
 - (b) advise the Board on the country's food supply, utilisation, distribution and intervention measures to improve availability and affordability of the national strategic reserve;
 - (c) manage the digital food balance sheet;
 - (d) collect data and undertake market intelligence and price monitoring of the national strategic reserve; and
 - (e) advise the Board on price stabilisation of the national strategic reserve.
- (2) In advising on price stabilisation, the Committee shall consider the following parameters—
- (a) consumer purchasing power;
 - (b) cost of production of national strategic reserve;
 - (c) international price fluctuations;
 - (d) seasonal price movements;
 - (e) changes in the exchange rates; and
 - (f) market forces.
- (3) The Board shall notify the Committee when the physical stock of the national strategic reserve reduces to the level of base stock.
- (4) The Committee shall submit reports to the Board on the functions set out in sub-regulation (1).
- (5) The operational expenses of the Committee shall be paid in the manner specified in section 11 of the Act.

8. Revocation of L.N. 25 of 2023

The National Cereals and Produce Board (National Strategic Reserve) Regulations, 2023 are revoked.

FIRST SCHEDULE [r. 5(2)]

CONDUCT OF AFFAIRS OF THE COMMITTEE

1. Meetings

- (1) The Committee shall meet at least once a month and not more than thirty days shall elapse between the date of one meeting and the date of the next meeting.
- (2) On requisition in writing by at least six members, the chairperson may convene a meeting of the Committee at any time.
- (3) Unless three-quarters of the members of the Committee otherwise agree, at least fourteen days' written notice of every meeting of the Committee shall be given to every member of the Committee.

- (4) The chairperson shall preside at every meeting of the Committee but in the absence of the chairperson, the members present shall elect one of themselves, who shall perform the function of the chairperson at that meeting.
- (5) Unless a unanimous decision is reached, a decision on any matter before the Committee shall be by a majority of votes and, in the case of an equality of votes, the chairperson shall have a casting vote.

2. Quorum

- (1) The quorum for the conduct a meeting of the Committee shall be six members and shall include the chairperson.
- (2) Despite sub-paragraph (1), no proceedings of the Committee shall be invalid by reason only of a vacancy among the members thereof.

3. Conflict of interest

- (1) If a member is directly or indirectly interested in any matter, before the Committee and is present at a meeting of the Committee at which the matter is the subject of consideration, that member shall, at the meeting and as soon as practicable after the commencement of the meeting, disclose the interest in the matter and shall not take part in the consideration of or vote on the matter, or be counted in the quorum of the meeting during consideration of the matter:

Provided that, if the majority of the members present deem that the experience or expertise of the member is vital to the deliberations of the matter, the Committee may permit the member to participate in the deliberations subject to such restrictions as the Committee may impose but the member shall not vote on the matter.

- (2) A disclosure of interest made under this paragraph shall be recorded in the minutes of the meeting at which it is made.
- (3) A member of the Committee who contravenes sub-paragraph (1) commits an offence and is liable, on conviction, to imprisonment for a term not exceeding one year, or to a fine not exceeding one hundred thousand shillings, or both.

4. Minutes

The Committee shall cause minutes and resolutions of all meetings of the Committee to be entered in books kept for that purpose.

SECOND SCHEDULE [r. 2]

STRATEGIC FOOD RESERVE COMMODITIES

Maize.

Rice.

Wheat.

Dried Cassava.

Beans.

Green grams.

Irish Potatoes.

Powdered Milk.

Canned Meat.

Dried Fish.

Other pulses.

Other Cereals including sorghum and millets.