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THE HISTORICAL BACKGROUND TO MAIZE MARKETING IN KENYA  
AND ITS IMPLICATIONS FOR FUTURE MARKETING REORGANISATION

EDRP.91.  
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28 Jan. 1966.

1. The Prewar Situation:

Maize has been a main staple food of the African people of Kenya since the beginning of this century. It has been grown by African mostly for subsistence, but a fair proportion of total supply has come onto the market as a surplus to subsistence production.

The rapid expansion of European maize production started in 1922 as the result of a recommendation by the Bowring Committee that Kenya should concentrate on the production of maize in order to increase the value of the Colony's exports and to provide bulk freight for the Railway. Also encouragement was given to African growers to produce superior quality maize for export, and plantings of the 'Flat White' variety of maize gradually became common in the native reserves.

The Great Depression of the early 1930's hit the European maize growers especially hard as a much larger proportion of their maize was sent to the export markets. Despite the relief measures undertaken by the Government and the Railways and Harbours in the form of reductions in freight rates, grading charges, and giving outright subsidies, the producers' position did not alter significantly, as the market price of maize did not recover substantially in 1930's. As the market was freely organised at the time, the export price determined the local price of maize, and many European farmers felt they would be unable to recoup the costs of growing maize at such price level.

On the other hand, commercialisation of African maize production was accelerated during this period. In terms of opportunity costs, maize was still more profitable at this price level than any other crop they could grow at that time (more high-price cash crops such as coffee, tea and pyrethrum were not yet grown widely). The increasing commercialisation of African maize production was helped by favourable weather, use of better seed, greater number of available agricultural extension workers, and greater competition among the buyers, including the K.F.A. (The Kenya Farmer's Association), in the Native Reserve areas.

The Marketing of Native Produce Ordinance, 1935 was designed chiefly to set up Native Produce Markets in the Native Reserves in such a way as to completely separate produce buying from the business of retail shopping, and to license such produce buyers in order to ensure cash payment to growers, uniform quality standards, etc. but it was also contemplated as a measure enabling the K.F.A. to purchase the bulk of African grown maize. The K.F.A. was given an entry to the native markets through renting the Local Native Council go-downs.<sup>1</sup> By this means it tried to obtain control of the whole maize market in Kenya and thus be in a position to control supply of African-grown maize going onto the internal market, thus raising the internal sale price and forcing the consuming interests and possibly African producers to subsidise the European-grown maize. In practice it was unsuccessful owing to keen competition from other buyers.

It is extremely difficult to know the exact amount of African-grown maize marketed at **but some indication** can be obtained from the figures for maize passing through the inspection centres in Nyanza and Central Provinces.

TABLE 1  
COMMERCIALISATION OF AFRICAN GROWN MAIZE, 1936-40

Year	Nyanza Province (Inspection Returns)	Central Province (Sales outside the Dis.)	Total
	('000 bags)	('000 bags)	('000 bags)
1936	157	180	337
1937	247	193	440
1938	314	384	698
1939	400	326	726
1940	556	176	732

Source: Kenya, Food Shortage Commission Report 1943, p. 10

Considerable quantities of African grown maize in Central Province were sold direct to the neighbour European owned plantations which escaped inspection and therefore do not appear in these figures. This significant buying element would of course, have hampered the K.F.A.'s objective of covering a significant quantity of African maize and pulling it off the market.

With the failure to shift the "export loss burden" onto other sections of the community, the European acreage of maize declined rapidly. The 233,973 acres of maize harvested in 1929-30 had shrunk to 93,517 acres by the 1939-40 seasons. (see Table 2)

## 2. War-time Control and the Production Drive:

During the early war years, an Italian invasion from the north seemed imminent, and the recruitment of men to the armed forces was naturally given priority over food crop production. Demand for maize in overseas markets shrank, and lack of ships made transport very difficult. However, the Abyssinian Campaign ended in 1941, leading to a shift in priority for the use of manpower from military purposes to agricultural production. In this year the demand for all food products to supply the Middle Eastern countries began to be felt,<sup>3</sup> and the Kenya Government made an all out drive for increasing production.

Emphasis was given to European-grown maize from which quick results could be expected, rather than to African-grown maize. To this end the Government in 1942 brought in two important pieces of legislation - The Increased Production of Crops Ordinance (which applied to non-African producers only) and the Defence (Control of Maize) Regulations. The former gave the farmer a guaranteed fixed price and a guaranteed minimum return in case of unavoidable crop failure. Production orders were given to the farmer, and after harvest, he was required to keep the crop as Government property until ordered by the Maize Control to evacuate the crop.<sup>4</sup> There was also a grant for breaking and clearing new land. Under the Defence (Control of Maize) Regulations, Maize Control was established and designated as the sole purchaser of maize, the K.F.A. becoming sole agents for Maize Control in the European areas.

In African areas Maize Control established a system of buying agents and stores maintaining as far as possible the pre-existing channels of trade. The African producer was guaranteed a fixed price delivered to the buying agents which was considerably below the fixed price paid to the European maize grower. This differential took into account various services such as handling, bagging, storage, transporting and delivering maize to stores, mills or railhead.

TABLE 2

PRODUCTION OF MAIZE IN KENYA BY EUROPEAN GROWERS AND MAIZE EXPORT  
FROM KENYA

Year	Acreage Harvested by European Farmers ( '000 acres)	Total Production by European Farmers ( '000 bags)	Export of maize in grain*	
			Quantity ( '000 bags)	Value in (£'000)
1920	32	317	188	114
1921	31	165	29	15
1922	57	339	217	146
1923	75	518	490	250
1924	107	837	652	381
1925	130	893	683	417
1926	158	927	520	281
1927	178	1,315	1,001	506
1928	177	1,089	500	306
1929	205	1,099	434	310
1930	234	1,859	1,245	566
1931	201	1,650	1,042	420
1932	161	763	289	118
1933	164	1,140	635	213
1934	113	747	246	105
1935	(no census)		671	185
1936	118	1,012	813	233
1937	(no census)		408	199
1938	113	968	660	259
1939	(no census)		568	223
1940	94	618	204	103

\* These statistics relate to the export of maize from Kenya and Uganda. However, the export of maize from Uganda was negligible during this period.

Column 1/2 Census Years upto and including 1925, year ended on 30th June.  
and " " " " 1930; " " " 31st July.  
" " " " 1940; " " " 28(29th)  
Feb.

Column 3 and 4 Calendar years.

Sources: Kenya, Agricultural Census, 1920-1934, 1936, 1938,  
Kenya, Food Shortage Commission of Enquiry Report, 1943.  
Kenya, Annual Report of Agriculture, 1922 p.9.  
Kenya, Blue Book, 1926-1938.  
Annual Trade Reports of Kenya and Uganda, 1938-1940.

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While this production drive was being initiated Kenya was hit by a severe food shortage in 1942-43 which led to the appointment of the Food Shortage Commission of Inquiry in 1943.

The Commission attributed the shortage to a number of causes some of them still prevailing in more recent years. These were:-

1. An increase in the consumption of maize.
2. More maize being fed to stock.
3. Large profits obtainable by not delivering maize to the Control.
4. The very low price prevailing in the 1941/42 season discouraged planting in African areas. The European maize acreage had remained low.

The Report thought that the main reason for the shortage was the rapid increase in maize consumption due to the presence of the armed forces in the Colony and the increasing number of Africans in employment over the period from 1940 to 1942. This factor was not appreciated owing to the lack of sufficient information concerning changes on the demand side. The shortage was inevitable, and the failure of the short rains in 1942 merely made matters worse.<sup>5</sup>

The recommendations of the Commission laid stress on the importance of European grown maize: "European grown maize is indispensable to the Colony's requirements in normal times. Government should enter into a contract, through the agency of the K.F.A. to purchase about 400,000 bags of European grown maize per annum at a price fixed after consulting producing and consuming interests."<sup>6</sup> The Commission also recommended that the exportable surplus should be kept as small as possible and that future policy should not be the encouragement of the production of maize for export. The Commission approved the disparity in price between European-grown maize at Shs.9/- per bag and African-grown maize at Shs.4/90 per bag, and justified the difference as representing the element of services borne by the European grower himself, such as transport cost to railhead, cost of bag, storage expenses, allowance for average differences in quality, and traders commission.<sup>7</sup> Another difference was the cess for the Native Betterment Fund imposed only on the African-grown maize. The Commission also recommended that there should be a basic minimum price announced prior to each planting season, and that the guaranteed prices should not be greatly in excess of the returns obtainable from other agricultural products.

The importance of the Food Shortage Commission of Inquiry Report, 1943 cannot be overstated. Its recommendations were adopted as government policy; and the concept of keeping the exportable surplus at a minimum, and the policy of fixed prices announced before each season, for all maize, both for the delivered at railhead and at the markets in African areas formed the basis of government policy for the next twenty years.

As the result of the production drive the acreage planted with maize in non-African areas showed a gradual increase and so did the production. The increase in African production is not known, but the increase in the deliveries to the Maize Control was rather slight until after the War, when the price shot up and the increase in the African maize deliveries became quite noticeable, (see Table 3).

Following the War the question of market reorganisation was brought up. In 1946 "The Report and Recommendations upon the Development of Agricultural Marketing in Kenya" was presented by R.H. Bassett. He recommended that the Government set up a Market Department to take over the functions of the Maize Control, and initiate the development of, and provide the executives for Marketing Boards which would cover all worthwhile crops. This recommendation was, however, rejected by the Government and the Maize Control continued to function until 1959.

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From 1942 to 1952, there was an East African Cereals Pool whose members consisted of Kenya, Uganda, Tanganyika, Zanzibar, Seyshelles, Military Force stationed in East Africa, and the East African Railways and Harbours. Maize was the main cereal stored under the pool and its administration was entrusted to the East African Production and Supply Council for which the Kenya Maize Control acted as storage and distributing agents. The scale of its operations is shown in Table 4. This inter-territorial pool system was no doubt beneficial as it could utilize the natural complementarities such as differences in rainfall, timing of the harvest period, etc. between the territories. However, it was discontinued in 1952 and was replaced by an Agreement between the Governments of Kenya, Tanganyika and Uganda. Later events showed that this new arrangement was not flexible enough to allow the smooth flow of maize in inter-territorial trade.

3. The Ibbotson Committee Report and the Troup Report, 1952.

As the 1940's gave way to the 1950's there was continual criticism of controls and as a result, the Ibbotson Committee was established to make recommendations concerning the future structure of the produce marketing organisation.

"When the Ibbotson Committee sat it was dealing with a continuation of wartime conditions in which the export price of maize was higher than the internal price. The Committee's Report emphasised that, so long as the internal price was fixed below export parity, some form of organised marketing must be retained to ensure that equitable sharing amongst all producers of the economic disadvantages of having to provide for local requirements before selling maize overseas".<sup>8</sup> The Committee also envisaged a falling export price below the internal price in which case an organised market would still be necessary.

The Committee concluded the time had come when marketing should cease to be controlled under the Defence Regulations and that the functions of control should be vested in a Statutory Central Board. The responsibilities of the proposed Central Board should be "the collection, storage and subsequent distribution of the crop; for advising the Member (Minister) for Agriculture of the quantities likely to be available for export and for the carrying out of his directions in this respect; for the maintenance of adequate reserves in good conditions and for ensuring adequate distribution and availability of internal requirements."<sup>9</sup> These responsibilities would be exercised by the Board through a small central executive, but the functions of collecting, storing and selling the crop would be delegated to agents, which would be the K.F.A. in the European areas, a Statutory Regional Board in the Nyanza Province and licensed traders in the other areas. (Later, another statutory Regional Board came into being in the Central Province.)

Although the government accepted the Ibbotson Report in principle, the emergency, the poor financial situation and a severe shortage of maize in 1952/53, all delayed the implementation of the report's recommendations. Meanwhile there was a sharp decline in the price of maize in overseas markets, and within a few years, the major reason for restricting exports shifted drastically from a fear of food shortage to the fact that it had become uneconomical.

While the Ibbotson Committee was deliberating, European producers were pressing the Government for a price review. The maize growers in the Trans Nzoia passed a resolution in November 1950 asking the Government "to appoint an extra-territorial commission to ascertain the proper price for the 1950 planted maize crop and to advise Government on the type of permanent machinery for price ascertainment in future years which would ensure the removal of this function from the sphere of political and other extraneous influences."<sup>10</sup>

Consequently, I.G. Troup was appointed to make recommendations on the price. The Troup Report on the General Economy of Farming in



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the Highlands presented in May 1952 recommended a formula on which production costs should be calculated as the basis for fixing prices. According to this Troup formula the maize price of the 1951 crop was raised from the previously fixed level of Shs.30/30 per bag (excluding cost of bag) f.o.r. to Shs.35/- per bag. Troup had at the same time emphasised the necessity in the future for producers to take every opportunity of reducing their costs of production, thus enabling the price to be reduced to consumers.

However, an agreement was made in 1954 between the Government and the European producers that the Troup formula should be used for fixing maize prices until the 1957/58 season. The Troup formula served to keep high producer price level based on the high-cost maize producers of the Highlands throughout the 1950's (see graph 1). This formula had proved not to be free from the political influence of one seeter. Consequently, maize production grew and surpassed the internal requirements of Kenya at the high consumer price levels creating a large surplus to be stored or disposed of in the low-priced overseas market. The situation was not unlike the time of the Great Depression in the 1930's when the main concern of the maize industry was how to spread the so-called 'export loss' to all maize producers.

The Agreement between the Government and producers in 1954 accepted that any losses or gains from the export of maize would be to the account of the producers.<sup>11</sup> It therefore became necessary to establish a Fund to which all maize growers would make contributions to pay the differentials between the guaranteed internal price and the price realised on the export market, and the Maize and Sorghum (Imposition of Cess) Ordinance was enacted in 1954 for this purpose. The Ordinance provided for the imposition of a cess on all maize delivered which was fixed at Shs.3/- per bag in the first year of its implication.

#### 4. Establishment of the Maize Marketing Board.

In 1958, the Government decided the time had come to implement the recommendations of the Ibbotson Commission. The Sessional Paper No.6 of 1957/58 put forward the actions the Government was proposing to take. It stated that the Government would shortly introduce legislation to set up a Maize Board to replace the Maize Control to market the crop in the best interests of the country as a whole. The whole crop, other than maize retained by the grower or bought and sold by Africans for consumption within their own districts, was to be disposed of as the Maize Board would direct. The Sessional Paper criticised the Troup formula in the following terms:-

- (1) that under the Troup formula and agreement made of the Government with the producers, the price of maize has reached a level which is damaging not only to the maize industry but to the economy of the country, as a whole;
- (2) more can be done to encourage the local use of maize as food for human consumption and in the livestock industry, especially if the price to the consumer is lowered;
- (3) the ever increasing difference in the price paid to the producer and the price of maize meal to the consumer, which is inherent in the functions which the present control is required to undertake, must be reduced.<sup>12</sup>

Accordingly the Sessional Paper advocated lowering the price somewhat. It was unfortunate that the Sessional Paper again mistrusted the Africans growers' ability to fulfil the internal requirements for maize, in this respect following in the footsteps of the Food Shortage Commission Report of 1943. The Sessional Paper stated that "while certain areas, especially Nyanza, have come to rely on maize to a considerable extent as their cash crop, it still remains true that the majority of the 600,000 African farmers in Kenya plant maize primarily for family subsistence and only

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secondarily for cash ..... Thus the surplus available for delivery to markets is only a small fraction of the whole and is liable to fluctuate widely from season to season according to weather conditions ..... Since these deliveries cannot be relied on, the only other sources of maize are from overseas or from farmers in the Scheduled areas."<sup>13</sup>

A dynamic approach to the African peasant farmer to desengage them from subsistence farming and turn them to commercial farming could not be expected from this policy, and the initiation of African maize growers in this direction in the later 1930's had long been forgotten. The Maize Marketing Board came into being through the enactment of the Maize Marketing Ordinance in 1959. According to the Ordinance the functions of the Board are:-

- (a) to regulate, control and improve the collection, storage, marketing, distribution and supply of maize and maize products;
- (b) to buy, sell, import, export and otherwise acquire and dispose of maize products...in order, so far as possible, to fulfil the requirements both of consumers and producers in the Colony;
- (c) to advise the Minister on the proper relation of maize production to the needs of the Colony; and on the extent to which control over the importation and exportation of maize and maize products is necessary or desirable.<sup>14</sup>

The price to be paid by the Board was to be fixed by the Minister of Agriculture, after consultation with the Board and producers' representatives with the approval of the Council of Ministers. Among the other wide powers conferred upon the Board was that to prohibit or direct the movement of maize or maize products within the Colony or any part of the Colony. The Ordinance provided extensive powers for the investigation of offences and punishment of offenders. (Despite this provision, the illegal trade between districts and across the Uganda/Kenya border has been wide spread. See graph 2 for the differential in price between Uganda and Kenya around the border area.)

The policy of restricting the movement of foodstuffs is of long standing in East Africa.<sup>15</sup> In the past the governments of East Africa has frequently had to institute famine relief measures in particular areas. However it cannot be denied that the fear of famine among the officials has caused them to adopt an over-rigid self-sufficiency policy of food production. The problem was very well expounded by the East African Royal Commission Report 1953-1955, in its chapter on the Marketing and Distributive System:

"In the policies which they (the East African Governments) have adopted they have been unduly influenced by fears and practices of the indigenous populations, and by encouraging district, regional and even territorial self-sufficiency they have perpetuated the cause of the evil which their measures were intended to combat, namely the system of self-sufficiency itself. In their anxiety to achieve security in the matter of food supplies they have tended to regard the ordinary mechanism of the market as an obstacle to the solution of their difficulties rather than as a solvent of the problem. Instead of encouraging specialization and the free sale of surplus production of food and other agricultural products in suitable areas in order to even out shortages in other areas by the use of the normal machinery of the market, government policy has frequently looked upon the normal functioning of the market with suspicion."<sup>16</sup>

The functions of the Maize Marketing Board have been and are still bound up with this traditional self-sufficiency policy. The Board does not in any way put pressure on the subsistence farmers to produce maize above what they themselves regard as surplus to their own needs. The money mechanism - cash liquidity, effective demand and price - which would allow the people in a food

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shortage area to offer higher prices to attract more maize from the areas where food was relatively abundant is annihilated by the fixed price system. The Board's policy of limiting the number of licenced buying agents and sub-agents and giving them a fixed commission per bag of maize collected does not give these licencees as much incentive to act as entrepreneurs and spread the area and extent of commercialisation as under the competitive buying system. The speed with which chains of traders can detect areas of food scarcity and food surplus and move foodstuffs from the latter to the former areas is, provided there are enough competing traders, likely to be far more efficient than with a centrally directed and bureaucratically staffed organisation like the Maize Marketing Board.<sup>17</sup> Actual experience in Kenya in shortage years such as 1965 lend considerable support to this view.

In addition, the cess system adopted by the Maize Marketing Board encourages self-sufficiency. There are two kinds of cesses in question; one is the Maize Fund Cess which was originally instituted by the Maize and Sorghum (Imposition of Cess) Ordinance, 1954 and was succeeded by the Maize Marketing Ordinance of 1959, and the other is the African District Council Cess imposed only on African delivered maize, which was initiated by the Maize Control in 1942. Although this was not provided in the Maize Marketing Ordinance of 1959, the Board agreed to undertake the role of tax collector on behalf of District Council. The latter cess was not liked by the Board itself<sup>18</sup> but was accepted by it because of its administrative convenience. These cesses greatly reduce the producers price relative to the consumers' price; the wider the gap between the two, the more is self-sufficiency encouraged.

The operation of the Maize Marketing Board has been the object of criticisms since its inception. The MacGillivray Committee Report on the organisation of agriculture of 1960 stated that it received a number of criticisms of Marketing Boards (particularly the Nyanza Province and Central Province Marketing Boards) from chambers of commerce, produce exchanges and other commercial bodies. "It has been proposed that these boards should have advisory functions only and should be concerned only with production, leaving marketing and distribution entirely to the trade. As a corollary of this, it has advocated that the Maize Marketing Board should be severely restricted in its operations and that the marketing of maize should be undertaken by producers through their co-operatives or normal trade channels; that government through the board, should merely fix a producer price and purchase sufficient stocks against famine risks, but should leave the marketing of maize to the trade."<sup>19</sup>

However the MacGillivray Report very skillfully avoided examining these criticisms saying that "we are not required to recommend any major changes in policy. Thus, whereas the criticisms and comment thereon which we have received have provided us with a valuable background to the problem, they are not directly relevant to our terms of reference and we do not regard it as part of our duty to examine and express views on them."<sup>20</sup>

A comprehensive critique of the Kenya maize control system can be found in M.P. Miracle's article in the East African Economics Review (1959). He argues that Maize control severely inhibits economic development on the following four points:

1. The abandonment of the free operation of market forces in price determination means resources are inefficiently allocated.
2. It means that labour is costlier than it need be, as maize is the staple foodstuff for labour.



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3. Livestock production is made more expensive to the consumer and less profitable to the producer through the high price maize; development of this infant industry (especially the pork industry) is retarded. This criticism has been now met, in the case of bacon by rebates on the cost of maize fed to bacon pigs.
4. "In African areas, Maize Control severely retards on of the most fundamental changes in the organisation of production that must come in the development of a economy - a greater specialisation of production."<sup>21</sup>

A Working Party to examine the operation of the Maize Marketing Board was established by the Board itself at its meeting held on 24th November, 1961. The Working Party was to "ascertain if it is possible, while maintaining reasonable stability in the maize industry of Kenya, to provide a more flexible system of organised marketing and whilst so doing to consider whether in fact any organised system is necessary."<sup>22</sup>

Various views were put forward to the Working Party. One view stated that a greater flexibility might be achieved by the gradual development of organised marketing of maize through Co-operative Organisations with a pyramid structure from district level, to regional level to National level. It was felt that at the primary marketing level, the producers should be free to market their crop either through the District Co-operative Societies or through a trader. However, the Acting Commissioner for Co-operative Department "made it quite clear that his Department was not yet geared to undertake properly and efficiently a scheme of this magnitude."<sup>23</sup>

The K.F.A. advanced the view that it should be chosen as the national co-operative organisation which would act as managing agents to a small Statutory Board which would be purely advisory. All District and Regional Co-operatives would become sub-agents to the K.F.A.<sup>24</sup>

A plan submitted by K.P. Shah was given much attention. According to his plan, free trade would be permitted between a fixed minimum and maximum price payable to producers. The object of the scheme would be to permit millers and traders to trade freely in Kenya (or even inter-territorially) within these price margins. The Maize Price Stabilisation Board would be set up to intervene when the price goes below the minimum by buying the maize at the minimum price, and when the price goes above the maximum the Board releases the stock at the maximum price. The Working Party saw some merit in the scheme, but calculated that under the prices suggested by Mr. Shah, the Stabilisation Board would have to bear an annual deficit of about £60,000 or more, as the Board would become "nothing more than a dumping ground for all the maize surplus to the requirements of the country."<sup>25</sup> (Although it is already that under the present system in years of good harvest).

Although rejected by the Working Party, this scheme might have provided an alternative which in many ways would be superior to the present Marketing Board policies.

The prices to be decided as the floor (minimum) and the ceiling (maximum) are certainly difficult to determine without experience, but a minimum price fixed relatively close to export parity, combined with a flexible import policy could make the system work fairly well.

The most recent comprehensive investigation on the Kenya Maize Industry was made by V.G. Mathews in 1963. The main concern of the Mathew Report was such questions as :-

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- (a) How is the industry likely to be affected by the introduction of the new hybrid and synthetic maize, the new Settlement Scheme, and the new circumstances brought about by Independence?
- (b) What should Kenya's policy be in regard to the export of maize?
- (c) How does the price of maize and other factors affect the production of the crop, and what steps can be taken to reduce the price of maize to the consumer?
- (d) Should the system of organised marketing be retained?<sup>26</sup>

Mathew concluded that with the introduction of hybrid and synthetic maize the productivity of maize per acre will increase, although the effect of the new Settlement Schemes would reduce the delivery of maize from those areas. Thus "calculations aimed at deciding a fair internal guaranteed price should in future employ a factor of 10 bags to the acre as opposed to the 8 bags factor used in the Troup Formula."<sup>27</sup> If adopted universally, hybrid maize could yield the average of 15 bags to the acre, and make a rapid reduction of price possible. Thus, "from Shs.30/- in 1964 the price should be reduced in each successive year by equal steps to Shs.24/- in 1968." The reduction in the producers price would make maize export profitable in future, but until such time comes, "Kenya should not encourage surplus maize production for the purpose of export." The Report endorsed the necessity of organised marketing, stating "so long as there is a need to fix a guaranteed internal price different from export parity so long will there be need for a degree of control similar to that at present exercised by the Maize Marketing Board."<sup>28</sup>

The Board proceeded to follow Mathews' recommendation of reducing the guaranteed price, with a reduction of Shs.3/- in 1963 to Shs.32/50 per bag F.O.R. and Sh.1/- in 1964 to Shs.31/50.<sup>29</sup> However, in the middle of 1964 the Board foresaw a coming shortage of maize and on 25th July of the same year an announcement was made to raise the price again to Shs.32/50. This did not stave off the tide, and a large-scale maize shortage occurred in 1965.

The shortcomings of the Mathews Recommendations seem to lie in advocating a reduction of price with immediate effect before many growers were accustomed to the higher yielding seeds. Had the growers experienced the profitability of the hybrid and the synthetic seeds they could have confidence in increasing income even with the reduction of price per bag, and thus a decline in maize planting could have been halted. Another point which is relevant here is that any reduction in the maize price must coincide with a reduction for the other close alternative crops, otherwise it will affect the relative profitability of crops that can be grown on the same land. The recent increases in the price for wheat have surely induced the maize growers to switch to wheat. The whole experience suggests how difficult it is to reduce a fixed price under the system of control. Competition through the price mechanism might provide a better answer from over-all point of view.

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6. Ibid, p. 46.
7. Ibid, p. 49.
8. Kenya, Sessional Paper No. 6 of 1957/58, p. 5.
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11. Ibid, p. 7.
12. Ibid, p. 11.
13. Ibid, p. 9.
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29. Kenya, Legal Notice No.41/64.

TABLE 3.

MAIZE PRICES AND DELIVERIES TO CONTROL

Year of planting	Guaranteed Price F.O.R. excluding Bag Shs/bag	Producers' Market Price at Bungoma ex bag Shs/bag	Board Selling Price ex Store at Bungoma including bag Shs/bag	Non-African acres planted 1000 acres	Non-African Deliveries 1000 bags	African Deliveries 1000 bags	Total Deliveries 1000 bags
1942	7.80	n.a.		82	361	339	700
1943	10.80	n.a.		108	600	641	1,241
1944	11.40	n.a.		120	528	983	1,511
1945	11.40	8.40		125	552	655	1,207
1946	15.90	9.45		110	508	1,002	1,510
1947	20.00	11.55		108	379	567	946
1948	20.00	11.55		121	616	1,126	1,741
1949	23.40	12.25		133	737	1,690	2,427
1950	28.80	13.65		145	763	982	1,745
1951	30.30	22.82		142	812	1,083	1,895
1952	38.25	29.75		141	728	745	1,473
1953	38.72	30.17		165	742	1,380	2,122
1954	38.15	27.70		174	1,005	1,299	2,304
1955	38.15	26.85		158	1,081	649	1,730
1956	39.98	30.33	48.25	167	896	637	1,533
1957	39.98	27.33	50.20	178	979	779	1,758
1958	37.00	22.00	50.20	148	893	938	1,831
1959	35.60	23.10	44.80	135	779	880	1,659
1960	35.50	24.30	42.80	142	880	706	1,586
1961	35.50	31.40	47.65	158	869	774	1,643
1962	35.50	28.60	47.65	159	1,150	1,083	2,233
1963	32.50	23.55	40.15	112	n.a.	n.a.	1,073
1964	32.50	26.55	n.a.	75	n.a.	n.a.	n.a.
1965	32.50	27.85	n.a.	n.a.	n.a.	n.a.	n.a.

Kenya, Sessional Paper No.6 of 1957/58 p. 15

Kenya, Maize and Produce Control, Balance Sheets and Accounts, 1952-1959.

Kenya, Subsidiary Legislation, 1957, 1958.

Kenya, Maize Marketing Board Annual Reports, 1960-1964.

Kenya, Statistical Abstract, 1965.

TABLE 4.

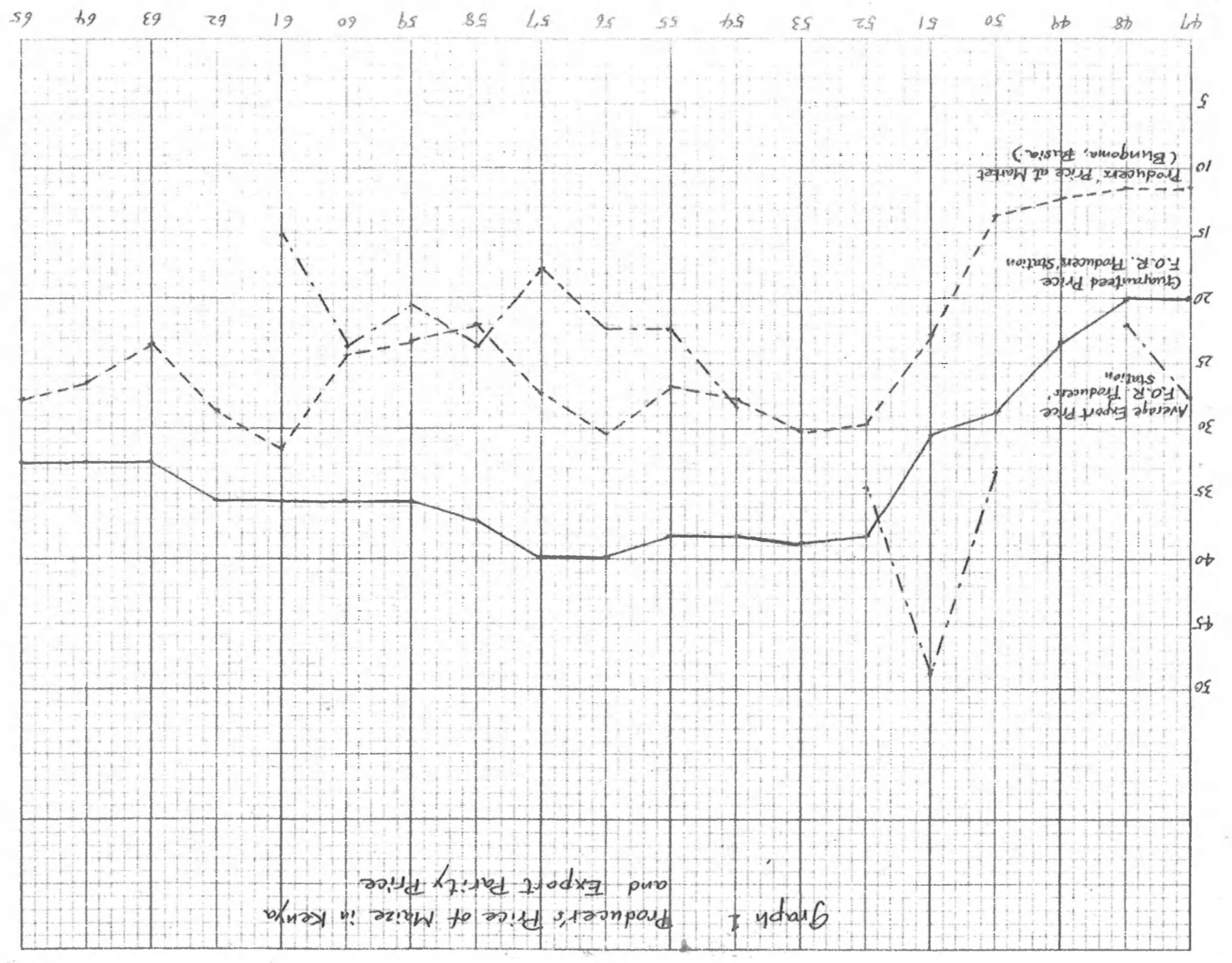
OPERATION OF THE EAST AFRICAN CEREALS POOL  
1942/43 to 1951/52

Years (ended)	1943	1944	1945	1946	1947	1948	1949	1950	1951	1952	Total
(a) Balances from the previous years	-	21	499	188	66	323	78	226	352	310	
(b) Pool Contributions from Kenya (including maize)	Nil	1,193	1,150 (1,121)	759 (357)	1,132 (856)	587 (504)	1,004 (813)	1,204 (1,153)	1,244 (1,057)	1,472 (1,472)	9,745 (7,332)
(c) Pool Contributions from Uganda	-	243	465	91	422	467	217	266	107	-	2,278
(d) Pool Contributions from Tanganyika	-	17	35	65	28	81	-	-	46	33	305
(e) Unknown	-	-	-	-	-	-	32	-	5	126	163
(f) Total E.A. Pool Contributions = (b)+(c)+(d)+(e)	Nil	1,453	1,650	915	1,532	1,135	1,253	1,470	1,402	1,631	12,491
(g) Imports	507	1,155	-	-	68	-	-	20	-	-	1,750
(h) Total Receipts (a)+(f)+(g)	507	2,629	2,149	1,102	1,717	1,458	1,331	1,716	1,753	1,941	14,241
(i) Issues of Cereals to Kenya	206	1,322	1,031	455	368	536	313	379	758	864	6,232
(j) Issues of Cereals to Uganda	)	176	20	7	4	27	83	26	44	40	427)
(k) Issues of Cereals to Tanganyika	)280	242	196	337	400	36	368	843	Nil	-	2,422)+ 280
(l) Issues of Cereals to Zanzibar Seychelles, Military, EAR&H, including Transit losses and Shrinkage	)	390	340	218	163	164	128	105	112	86	1,706)
(m) Exports	Nil	Nil	374	19	459	617	213	11	529	951	3,174
(n) Total Disposals	486	2,130	1,961	1,036	1,394	1,380	1,105	1,364	1,443	1,941	14,241

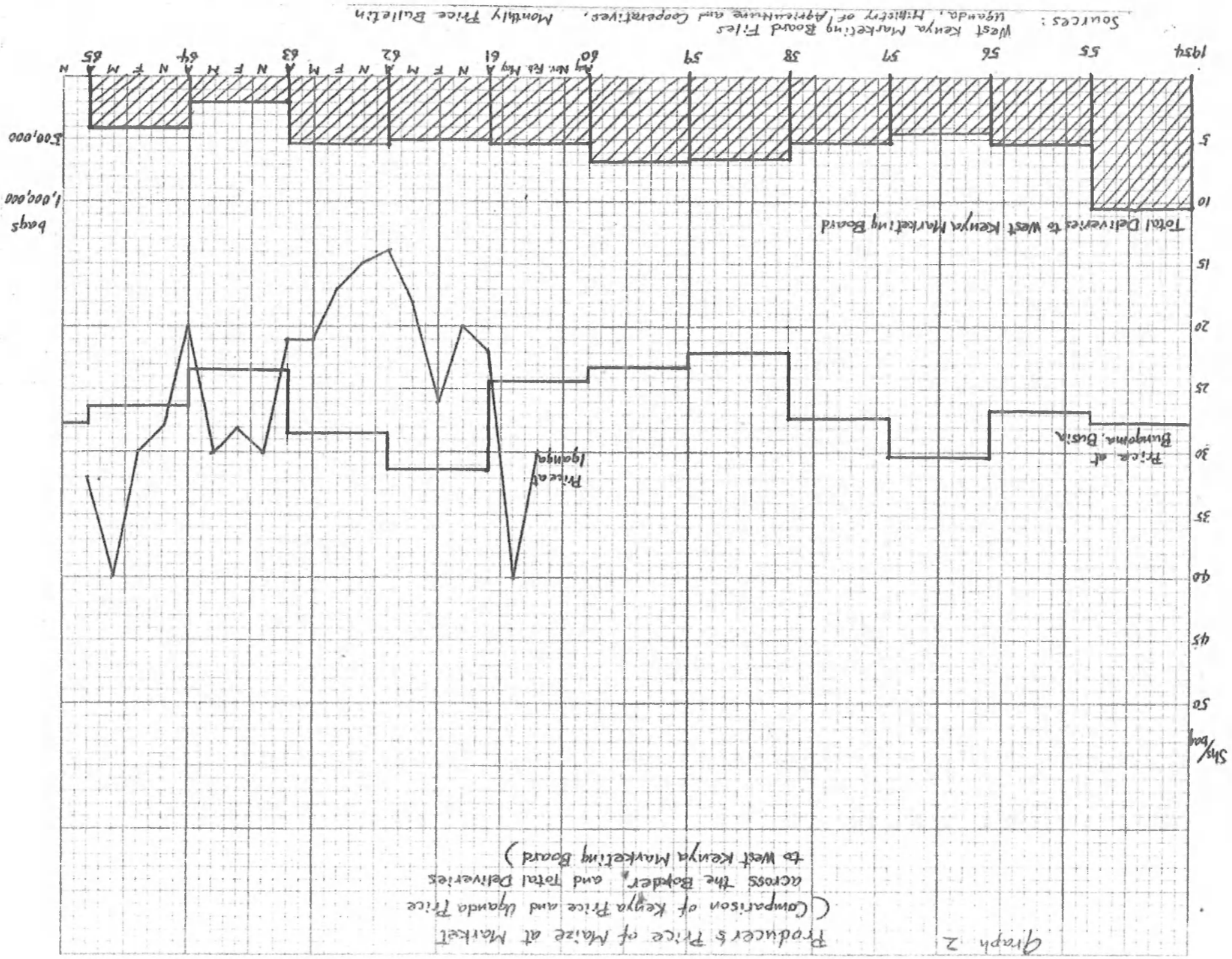
All figures represents Cereals (not only maize) in 1000 bags of standard weight of 200 lb. net.

Sources: Kenya Maize Marketing Board, the East African Cereals Pool Files.  
Kenya, Sessonal Paper No.6 of 1957/58 "The Maize Industry".





Graph 1  
 Producer's Price of Maize in Kenya  
 and Export Parity Price



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