

SESSIONAL PAPER NO. 90 OF 1956/57.

REPORT OF ENQUIRY INTO THE KENYA MEAT
INDUSTRY, 1956.

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INTRODUCTION

The Minister for Agriculture appointed a single Commissioner, Mr. C. Nevile, in April, 1956, to undertake an enquiry into the Kenya Meat Industry with the following terms of reference:-

"To investigate and report to the Minister for Agriculture, Animal Husbandry and Water Resources on the organisation of the Kenya Meat Industry from producer to consumer including export in respect of cattle and small stock from both European and African areas and excluding pigs and poultry."

2. Mr. Nevile submitted his Report to the Minister in August, 1956, and this Report was published without Government comment.

3. This paper is arranged as follows:-

Part I contains a general statement of Government policy.

Part II contains comments on the Report and a statement of action proposed by Government.

PART I GENERAL STATEMENT OF GOVERNMENT POLICY.

The Importance of Livestock in Kenya

1. It has been said many times, but bears repetition, that unless large workable deposits of valuable minerals are discovered in Kenya, agriculture, in which is included livestock, is likely to remain

as at present the foundation of the country's economy; and the standard of living of the people will improve only as agricultural production increases in volume and value.

2. Kenya is divided into two major natural regions, in both of which livestock are of great economic importance. First, the south-western quarter contained very approximately within a line drawn through the three mountains, Kilimanjaro-Kenya-Elgon; most of this is as good land for crops and livestock as any in Africa and by combining the two on a basis of alternate husbandry a very high level of agricultural production can be attained in this mixed farming area.

3. Secondly, there is the remaining three-quarters of the Colony where, apart from the Coastal belt and a few isolated hill masses, the rainfall is too sparse for the regular growing of crops and human life depends almost entirely on livestock. In this large region, besides being the basis of human life, livestock constitute almost the only natural economic resource, an asset which is capable of being developed and increased in value and which can moreover make an important contribution to the more intensive development of the highly productive south-western quarter.

3. Figures of livestock population are given below, together with figures of neighbouring territories for comparison. Clearly Kenya has in its livestock a natural asset of great potential value. But equally clearly the full realisation of that potential depends on good livestock management and on effective marketing

Paper (Sessional Paper No.9 of 1956/57) dealt with the marketing of dairy products. This paper is concerned with another aspect of the same general problem, the marketing of meat.

Footnote: Livestock Population and Estimated Value

The following are the latest estimates:

European owned (figures from 1955
Agricultural Census)

Beef Cattle	399,200
Dairy Cattle	366,200
Sheep	352,900

African owned (figures mostly estimates
but including some district
counts)

Cattle: Northern	800,000
Rift Valley	1,076,000
Southern	1,630,000
Nyanza	2,142,000
Central	385,000
Coast	200,000
	<hr/>
	6,233,000

Sheep and goats - 8 - 10 million.

The value of African owned cattle is estimated in the 1954 "Plan to Intensify the Development of African Agriculture in Kenya" (The Swynnerton Plan, para. 75) to amount to Shs. 30/- to Shs. 50/- each. This very low figure is due to the present generally bad management of stock and grazing in African areas, but even so the total value of African cattle in Kenya today is on this calculation at least £9 million. The Swynnerton Plan suggests that "where ten animals

worth Shs. 30/- each are now kept, they should be

Footnote (contd.)

replaced by five worth Shs. 200/- each". If this were achieved (and clearly it is a long way off), the total value of African-owned cattle would rise to £50 million.

That this revolutionary change is not impossible at any rate over a large part of the African lands is shown by the much higher value attaching to cattle, many of them entirely or in part indigenous, living under generally better management in the European farming areas of Kenya. Taking the census figures given above, it is estimated that after making allowances for a proportion of calves and older animals, a fair average value is £18 for beef cattle and £25 for dairy cattle, which gives the following result:

<u>European owned</u>		£
beef cattle: 399,200 at £18 ..		7,185,000
dairy cattle: 366,200 at £25 ..		9,155,000
		<hr/>
		16,340,000

Sheep on European farms may be valued about £4 per head, thus 352,900 sheep are worth £1,411,600.

It appears from the above assessment that the total value of all cattle in Kenya exceeds £25 million.

The following figures of hide and skin exports indicate the substantial contribution which the cattle, sheep and goat population makes to the Colony's overseas

trade:	<u>1953</u>	<u>1954</u>	<u>1955</u>
	£	£	£
Cattle hides	921,601	759,217	586,031
Goat Skins	424,270	452,031	487,164
Sheep Skins	165,742	170,322	182,952

Uganda Cattle Population (estimate 1954) 2,855,000

The Meat Marketing System.

4. The present position of meat marketing in Kenya originated from the following decision which was forced on the Government during the 1939-45 war; that in order to ensure regular meat supplies for the wartime population of the Colony, central direction and organisation of meat marketing throughout the Colony was essential. The old methods by which the Colony was supplied with meat before the war, mainly through itinerant stock-traders, raised serious problems of disease control, especially when cattle from African areas moved through the European areas, and it was largely in order to overcome these problems and so make the maximum use of cattle from the African areas that central organisation of meat marketing was established. This consideration applies today with equal or greater force, especially in view of the increased prevalence of foot and mouth disease which was not a major risk 15 years ago.

5. At the end of the war the question arose whether organised meat marketing should be continued or not. In 1945 the matter was considered by the joint Agricultural and Veterinary Services Sub-committee of the Development Committee which reported^{*} in favour of organised livestock marketing through a Statutory Board controlling a Central Abattoir. The main Development Committee Report, which was accepted by the Government, supported the sub-committee's recommendations

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* Report of the Development Committee 1946 Vol. II pp. 18-22.

∅ Reference is invited also to the Report of the East Africa Royal Commission on Land and Population 1955, pp. 301-306.

and proposed the provision of £50,000 for the construction of a central abattoir⁴.

6. A major argument in favour of a central Abattoir was that by this means the fullest possible use would be made of all parts of the carcase, thus considerably improving its value and raising the price which could be paid to the stockowners, thereby increasing the incentive to sell. In other words, a Central Abattoir is the most efficient and least wasteful method of marketing stock for slaughter.

7. Following investigation of the system of meat marketing in Southern Rhodesia, the Government decided in 1948 to set up a Statutory body to be known as the Kenya Meat Commission which would have monopoly power to purchase, slaughter and process cattle and small-stock. In accordance with this decision, the Kenya Meat Commission Ordinance passed through the Legislative Council early in 1950. It is worth quoting in this context the first two paragraphs from the Memorandum of objects and reasons accompanying the Bill:

MEMORANDUM OF OBJECTS AND REASONS

The object of this Bill is to establish a statutory corporation to be called the Kenya Meat Commission which will take over the functions of the present Meat Marketing Board and will exercise certain additional powers.

The Commission is to consist of eight members, including a Chairman, and will be appointed by the Governor-in-Council. This clause has of design been widely drawn in the Bill. The Bill creates what is in effect an important statutory monopoly for disposing of very large numbers of African-owned and European-owned cattle. It is, therefore, considered advisable that at least four members of the Commission should be stock owners or representatives of stock owners. It is essential

however/

however that the body charged with the exercise of the wide powers conferred by the Bill and the responsibility for administering important sums of money should be composed not only of persons with an intimate knowledge of the stock industry, but also of persons with sound commercial and business training. Such a composition of the Commission will command the confidence of the general public as possessing both the technical and the business experience necessary to ensure the commercial success of the undertaking. Government will therefore welcome an expression by the Legislature during the passage of the Bill in the Council as to the precise composition at which the proposed Commission should aim.

8. The following passages from the debate on the Bill in Legislative Council on 27th January, 1950, are also of interest as explaining the origin of the present system of meat marketing:

Member for Agriculture: "I would stress that this measure is, to my mind, absolutely essential if we are going to deal with the enormous cattle population which we have and if we are going to develop what I hope will become one of the major industries of the Colony. This measure is not another control, nor is it the Government's intention in any way to, what I think you might term, nationalize the meat industry....."

The Member for Agriculture described the previous condition of meat marketing as follows:

"Before the war, in regard to European cattle, these were sold through certain societies such as the Stockbreeders Society, and by bargaining with individual butchers and so on. There was no fixed price. There was no certainty that sales would be effected. There was absolutely no encouragement for the production of quality beef or mutton. The proceeds of the hides and skins were, I think hon. members will agree, largely wasted..... As regards African stock, the owner, when he sold at all, which he was very reluctant to do, sold mostly to itinerant dealers who went through the reserves picking up a few beasts here and there by barter at the lowest possible prices. The cattle changed hands frequently before finding its way to the final market, and incidentally spread disease all over the country. There was no assured outlet for African cattle, and very little encouragement for the African to sell,....."

"But the Meat Marketing Board, functioning as it is today, is functioning under tremendous limitations. There is a rising demand for meat of all kinds which keeps steadily ahead of the supply, or has done, and the Board has no means of maintaining a reserve of any kind either in cold storage or on the hoof. Supplies of cattle and small stock obviously fluctuate according to seasonal conditions, and as stock becomes more valuable stockowners become more insistent that they should be allowed to sell as and when their cattle are in good condition. On the other hand, obviously supplies to the towns, the army, shipping and for other markets are required for steady development.... But, as I say, with no cold storage and completely inadequate holding grounds, and inadequate stock routes (which are receiving Government's attention at the moment) we have been faced with a succession of gluts and scarcities and great difficulties. Another serious factor, the results of which are daily becoming more apparent, is the immense waste which results from the present system of slaughtering cattle and small stock. We are losing the value of a very large quantity of potentially immensely valuable by-products. We are forced to buy cattle in bad condition at the wrong time. We have no system of processing hides and skins by the approved methods, or dealing with condemned carcasses which are a very great loss to stockowners. There is also the danger of the consumer suffering from lack of a proper grading system which ensures that those prepared to pay for decent meat are going to be given decent meat.

"The loss to the meat industry as a whole under the present system is enormous. The present difficulties that we suffer from will only be accentuated as increased production develops and further supplies of meat become available from both the European cattle owner and from the potential resources of the native reserves.

Extracts from the Official Reports of
Legislative Council Debates, Volume XXXV (Second Series).
Columns 1219, 1221, 1222 and 1223.

9. At the time the Kenya Meat Commission was established, the Agriculture Bill was in the early stages of drafting. The full title of the Ordinance as eventually approved reads "An Ordinance to Promote and maintain a Stable Agriculture, to Provide for the Conservation of the Soil and its Fertility, and to Stimulate the Development of Agricultural Land in accordance with the accepted practice of good Land Management and Good Husbandry". It is generally accepted that under Kenya conditions the best means of maintaining and increasing the fertility of the mixed farming areas is by alternate husbandry incorporating livestock and gress leys. The Ordinance therefore provides at section 8 for the fixing of producer prices for scheduled animal products. Beef and mutton have been so scheduled.

10. To date the balance of prices has tended in the mixed farming areas to favour cereal production, especially maize, rather than livestock production. The Government over the last three years has given encouragement and assistance to farmers to invest in livestock, through the Land Rehabilitation and Land Development Loans administered by the Board of Agriculture. The results, as shown in some examples below, have been good, but Government considers that further encouragement should now be given to this change and the balance of prices should be shifted gradually in favour/

∕ increase of cattle:

	1952	1956
Trans Nzoia	87,694	113,706
Uasin Gishu	73,889	96,598

favour of livestock as opposed to maize. In the mechanics of ensuring that the stockowner receives a guaranteed price for his livestock, the Kenya Meat Commission plays an essential part.

11. Moreover under this system of centralised marketing consumers in the larger towns are supplied with meat at prices which are fixed by the Governor-in-Council of Ministers at the point where the Commission sells to the butchers. The demand for meat is often slightly above the supply and, if there were no centralised marketing at fixed prices, higher prices in times of shortage would result.

12. Markets.

The local market is already expanding, due to the lifting of Emergency restrictions in the Central Province and the steady rise in the standard of living of Africans both in towns and in the African lands where the effects of the Swynnerton Plan are beginning to be felt. Export markets are at present largely limited to African territories, since almost all European countries still retain a conservative reluctance to import beef from Kenya for reasons connected with the incidence of tropical diseases of livestock in this country. Every effort must be made to overcome these restrictions within as short a period as possible, so that export to the United Kingdom and certain other European countries may be initiated and expanded.

13. The Government believes that any plan to stimulate the beef industry must encourage greater efficiency in production and must make provision as far as possible for the desire of certain sections of the public for better quality beef. It is notable that in the development of alternate husbandry on mixed farms in Kenya the feeding of store steers for beef production has so far received little attention. If the mixed farmer is to be encouraged to undertake the capital expenditure and the labour entailed in store feeding beef to higher standards of quality than heretofore, it will be necessary to have a guaranteed market for the meat so produced at a price which will make its production both practicable and attractive. The Government intends, therefore, to relate price increases of beef to a rise in the grading standards, thus improving the quality of the product which is offered to the public.

The African Pastoral Areas.

14. A very important aspect of meat marketing concerns the difficult problems involved in the reduction of the number of livestock in the African pastoral areas to the carrying capacity of the land. There are encouraging signs that the sustained efforts which have been made by Government officers over many years to persuade the African pastoralist to sell the increase

of/

of his herds are beginning to bear fruit. The veterinary difficulties which are inherent in the safeguarding of these movements of stock from the Kenya African areas through the more highly developed farming districts are probably unique in Africa and it is hoped in the next few years to provide a more generous allocation of funds for the staff and facilities required to overcome these difficulties than was available in the past. The Government considers this to be the most important single problem affecting the marketing of livestock from the African areas.

15. Against this general background the comments of Government on the Report are set out in Part II below, together with a statement of action proposed.

PART II

COMMENTS ON THE REPORT AND ACTION PROPOSED.

The Continuance of Control through the Kenya Meat Commission and the Extent of Control in African Areas (paras. 1 - 4, 9 and 105).

16. Recommendations on this main issue are made in paragraphs 1 - 4, 9 and 105. The Government agrees with the view expressed in paragraph 4:

"European producers favour the continuance of the Kenya Meat Commission as a marketing agency, although many expressed dissatisfaction with its business methods. In spite of these criticisms all were unanimous that at the present stage of development of the country, the principle of guaranteed prices was in the best interests of the industry as a whole."

It follows from this and from the other considerations stated in Part I that the Government does not propose at the present time to alter its established policy for the marketing of meat through a central statutory organisation.

17. As regards the extent of control in African areas, some explanation is necessary. The statement in paragraph 3 that "the Ordinance appears to give the Kenya Meat Commission no control of the African market" is correct so far as internal sales between Africans in each African district are concerned ~~the~~ Kenya Meat Commission Ordinance, Section 9(3) but it was not intended that this exemption should apply to sales in one district for consumption in another district which must be covered by a permit under section 9(2) of the Ordinance. The Government considers that this position should continue unchanged since it provides the basis on which the marketing of livestock throughout the Colony can be organised. The recommendation (paras. 3 and 105), that while control

Footnote: This is made quite clear in the Legislative Council Debate on the Select Committee Report on the Kenya Meat Commission Bill at p.58 of Vol. XXXV (second series) Leg.Co. Debates. is/

is retained in European areas, it should be removed throughout the African districts, including the complete freeing of movements between African districts, is therefore not accepted, since it would in the Government's view create a situation in which all organised marketing would inevitably break down in the end. A system of partial control, particularly when the price obtained in the free market is higher than the controlled price, leads inevitably to the establishment of a black market which could disrupt the whole system.

18. This is borne out by para. 23 of the Report with which the Government agrees, as follows:

"A certain amount of illicit selling by Europeans to Africans exists as a result of this dual price structure and this state of affairs seriously adds to the problems of orderly marketing."

It must be recognised that the present controlled price to the producer benefits mainly urban consumers. In the African districts including large consuming districts such as Nyanza and Central Provinces, the price of meat is uncontrolled and is often higher than in towns. It is clear that this factor threatens to undermine the whole system of organised meat marketing. The problem is how to bring the situation in African districts within the Colony-wide system of organised meat marketing, while increasing or at least maintaining the flow of cattle from African producing to consuming districts. For the Government fully recognises the urgency in certain pastoral areas of reducing stock numbers to the carrying

capacity of the land. As stated in Part I, it is hoped that increased funds and staff to tackle this problem will be provided in the next few years. At the same time it is essential, if a solution is to be found, that the confidence of African stockowners in the Government should be maintained.

19. With this view Government will pursue its present policy of free stock auctions within the African areas backed by greatly improved facilities for movement of stock to consuming districts. All movement between districts, however, must be effectively brought within the general system of meat marketing, and means to this end are now being examined. (See paras. 43 and 47 below).

The Supply Position: (Report paras. 10 - 25)

20. Para. 8: - "There is no need to look for an export trade outside Africa."

The Government accepts that a steady expansion of the internal market for meat in Kenya may be expected, due in the short term to the removal or restrictions imposed by the Emergency and in the long term to the ever-increasing purchasing power of the African largely as a result of the Swynnerton Plan. A note of warning should, however, be sounded about the markets in neighbouring African Territories such as Uganda and the Belgian Congo which according to present indications are somewhat limited, although they still offer the opportunity for some expansion. The Government, therefore, considers it desirable also to develop export to countries overseas.

23. Paras. 19 and 25:

"Government's policy in controlling the price of meat below the more attractive returns from cereals and butterfat has had the most stifling effect on the meat industry and has in effect encouraged the practice of monoculture to the detriment of land fertility. It is not too late to repair the damage."

"Incentive is still required in the form of a price increase for all grades of meat."

As stated in Part I, the Government is in general agreement and is examining the implications of price increases for meat in conjunction with price adjustments for other agricultural products within the provisions of the Agriculture Ordinance. Caution is necessary however as there is only a limited demand for the highest quality meat and any increase in the production of this top quality is clearly limited by the capacity of the public to absorb it.

24. The Const^{tution} of the Kenya Meat Commission

Para. 26:

"It is unfortunately true that widespread lack of confidence exists in the Board of the Kenya Meat Commission. This is more evident in the mixed farming areas of the country."

Para. 27:

"It has frequently been stated that the interests of the ranching community are over-represented to the detriment of the smaller mixed farmer. Regional representation on the lines recommended should meet this complaint. The Board's relations with retailers and consumers are not satisfactory. More confidence in the Board by consumer, retailer and producer is imperative."

Para. 28:

"It is suggested that the constitution of the Board should be amended to read:

(a) A permanent full-time Chairman nominated

- (b) Four regional representatives of stockowners.
- (c) One representative of the sheep industry.
- (d) One African member representing African stockowners.
- (e) Two persons selected for their business ability.
- (f) One representative of the Ministry for Finance.
- (g) One representative of the Minister for Agriculture, who should also be charged with watching the interests of the consumer.

Para. 29:

"In reaching the conclusion that a permanent full-time Chairman is necessary consideration has been given to the fact that the Government of Kenya has a large financial interest in the Commission and is likely to be called upon for further capital to expand the industry."

Para. 30:

"The person appointed should have wide experience in big business methods. He will in fact be Chairman of the Board and General Manager."

Para 31:

"Regional representatives are the connecting link between producers and the Board. It is therefore essential that they should possess the confidence of the farmers in the areas they represent."

Para. 32:

"The advantages of a postal ballot for the election of regional representatives are worthy of consideration. This system works well in England for the election of members of Marketing Boards. All members other than ex officio members should serve for four years and retire by rotation."

Para. 33:

"No person who has interests in the wholesale or retail sale of meat or meat products should be eligible for election to the Board."

Para. 34:

Commission should be held and producers should be invited to attend."

Para. 35:

"The greatest importance is attached to regional representation as a means of improving relations between producers and the Board. It is also considered that the Chairman should attend at least one regional meeting a year to meet producers. In this way confidence in the Board will be improved."

25. If the organised marketing of stock is to continue successfully, it is essential to ensure that the organising authority has the confidence of producer, retailer and consumer. This was laid down in the Memorandum of Objects and Reasons which accompanied the Kenya Meat Commission Bill, as quoted in para. 7 above. The Government accepts the finding of the Commissioner that the Kenya Meat Commission for a number of reasons, not all of which were within its control, has failed to enlist the wholehearted support of the general public, and in addition there has been criticism in the mixed farming areas of the present composition of the Board, though the Government does not accept that dissatisfaction amongst the general farming public is so widespread as paragraph 26 of the Report appears to imply.

26. To meet this situation the Government agrees that some reconstitution of the Kenya Meat Commission Board is necessary. The Government regards it as undesirable that the Chairman

of the Board should be the General Manager of the Commission and considers that the Executive should continue to be separate from the Board. The Government therefore proposes a Board as follows:-

- (a) A Chairman nominated by the Minister after consultation with the Board.
- (b) Three regional representatives of registered stockowners elected as in para. 27.
- (c) Two representatives nominated by the Stockowners Council of the Kenya National Farmers' Union, of whom one shall be a representative of the ranchers.
- (d) One representative of registered sheep producers elected as in para. 27.
- (e) Two persons to represent African stockowners.
- (f) Not less than three nor more than five persons nominated by the Minister.

27. It is proposed that regional representatives and sheep representatives will be elected by registered stockowners and registered sheep producers respectively, by postal ballot. Registered stockowners or sheep producers will be those sending more than a certain number of stock to the Kenya Meat Commission

per annum/

per annum or to butchers under licence from the Kenya Meat Commission.

28. Members other than ex officio members will serve for three years and retire by rotation.

29. The Government notes the recommendation contained in para. 33 of the report, but in view of the fact that the Chairman will be nominated it is assumed that the appointment will be acceptable to the public and the industry and therefore this recommendation does not apply. The Government does not accept that other members of the Kenya Meat Commission elected by producers should not have such interests. Indeed in the case of elected representatives of the industry itself, such experience may be advantageous to the working of the Commission.

30. The Government accepts that an annual general meeting is desirable at which members of the industry can meet the Board and put their view point, together with members of the public. The Government also believes that regional meetings at stated intervals are desirable at which producers can put their views to their regional representatives. The Government does not consider it necessary however to specify that the Chairman must attend these regional meetings as it believes that this is a matter which can well be left to his discretion.

31.

Paras. 36 and 37:

"There is widespread evidence of dissatisfaction with the arbitrary methods of the Board and public relations must be improved. Efforts to this end will be fruitless unless the Kenya Meat Commission is maintained as a highly efficient commercial concern and producers and public are confident that this is so."

Para. 37:

"I recommend that a top level efficiency expert should investigate and report on the Commission's commercial organisation, staff and capital utilisation and business activities."

Government accepts that the public relations of the Kenya Meat Commission have in the past not always been as good as could be wished. It is hoped that this defect will be remedied.

32.

A firm of Management Consultants has been engaged to undertake a preliminary survey of the investigation recommended in paragraph 37 of the Report.

Grading and Prices:

33. (Report, paras 58 - 63:)

Para. 47:

"Grading in all the larger factories should be performed by an independent grader employed by the Government of Kenya. The Kenya Meat Commission should reimburse Government with a proportion of the expense incurred."

The Government agrees that grading must, as far as practicable, be standardised throughout the Colony. The Government will therefore employ a Chief Grader who will be responsible for supervising meat Graders throughout the Colony. In addition, the

graders/

years, and for "Standard" unless it is under six years."

Para. 52

Proposed New Grades Based on Existing Prices.

<u>Choice</u>			<u>Free Market.</u>
<u>1st</u>	..	..	Sh <u>1.18</u>
<u>Standard A</u>	..	..	<u>1.10</u>
<u>Standard B</u>	..	..	<u>1.05</u>
<u>3rd A</u>	..	..	<u>.95</u>
<u>3rd B</u>	..	..	<u>.85</u>
<u>4th A</u>	..	..	<u>.75</u>
<u>4th B</u>	..	..	<u>.60</u>

Para. 53.

"The present system of roller stamping of meat is not satisfactory and every effort should be made to enable the consumer to identify easily the grade of meat on offer."

The Government agrees that quality and price must be closely related and that every effort must be made to see that the stamping of meat gives a clear indication of the grade to the consumer. The principle of splitting the existing Standard and Third Grades into two grades each is accepted and other details are being worked out. New grades and prices of beef will be announced shortly.

Choice Grade of Beef.

37. Paras. 54 - 63:

A panel has been set up to advise the Minister on the possibility of introducing a Choice Grade of Beef. Prime grades of mutton and lamb have already been introduced.

Selling Methods

38. Paras. 64 - 67:

Para. 66:

"The introduction of liveweight buying throughout the Colony is strongly

graders at the larger abattoirs (at present Nairobi and Mombasa) will be Government employees, but the Kenya Meat Commission will be required to reimburse Government with the cost of their salaries.

34. Para. 48:

"The Grader should not be informed of the name of the owner of the cattle or sheep that come before him."

Para. 49:

"No owner should be permitted to be present whilst grading of his own cattle is actually in progress, but this should not prohibit him from seeing his carcasses and discussing them with the grader once inspection has been completed."

The Government does not consider that any rigid prohibition is necessary as the presence of the owner during meat inspection and grading of carcasses can often be of value to the farmer.

35. Para. 50:

"Much more attention should be paid to the age of cattle and grading should be carried out with the head on."

Subject to the solution of certain practical difficulties, this is accepted.

36. Paras. 51, 52 and 53:

Para. 51:

"No beast should be eligible for choice grade that is showing more than four broad teeth, for 1st grade unless it is under five

years/

recommended. Farmers should have the option of selling by weight and grade over the scales or on a cold dressed weight price at the factory."

The desirability of introducing liveweight buying is being examined. The Government believes that ways and means of introducing such buying are matters for the industry itself to work out.

The Need for Additional Factories

39. (Report, paras. 68 - 74)

Para. 73.

"I consider it is essential that the construction of a new plant at Eldoret should be completed four years from now."

The Government is examining the implications of this recommendation in consultation with the Kenya Meat Commission.

The Mombasa Trade

40. (Report, paras. 75 - 78)

The need for the provision of cold storage facilities at Mombasa as soon as possible is fully recognised by the Government, and action is being taken.

41. The necessity for a special price structure at Mombasa to encourage traders to bring stock over the long stock route from Lamu and the Northern Frontier is recognised and details are under examination. A special price has already been authorised for 'C' Grade Mutton.

42. The question of grading has been dealt with in para. 23 above.

The Permit System:

43. (Report, paras. 79 - 81)

Para. 81:

"It is recommended that the Kenya Meat Commission Ordinance is amended to allow them to charge a fee to the butcher for each permit issued, or not more than £1 per head for cattle and a corresponding fee for "small stock"."

Government accepts this recommendation and intends that permits to buy slaughter stock in Scheduled Areas shall be issued by the Kenya Meat Commission only to bona fide butchers at a fee to be prescribed. In the Non-scheduled Areas permits will be issued by the Ministry of Agriculture to African butchers and traders under Rules to be made by the Minister (cf. paras. 19 and 33).

Rail Transport:

44. (Report, paras. 82 and 83)

Discussions are proceeding with the East African Railways and Harbours.

Frozen Meat

(Report, paras. 84 and 85)

The Government agrees with these recommendations and proposes to introduce prices which will reduce the cost of certain grades of frozen beef to the consumer. It will also impose a penalty upon carcasses retained for a period of time with beef measles.

Wanda Market

(Report, paras. 86 - 90)

Para. 90:

"I would suggest that the respective Veterinary Departments should reach agreement on movement. The encouragement of this trade would be in the best interests of both territories and would stimulate trade in the African areas of Kenya. It is not considered that the Kenya Meat Commission should participate in this export."

While the Government is anxious to encourage trade between the adjacent African areas of Kenya and Uganda as a contribution to the problem of destocking it is essential that any such movements should be within the framework of the law and should have the support of the Uganda authorities. The Government sees no reason to debar the Kenya Meat Commission from participation in this trade.

Livestock Marketing in African Areas.

47. (Report, paras. 91 - 109)

Para. 105:

"The freeing of trade in all African areas and complete freedom of movement from producer to consumer areas within the African land unit is strongly recommended provided no disease risks are involved in the movement of stock."

A considerable measure of free trade in slaughter stock in the African areas must continue if the problem of overstocking is ever to be solved. Government is aware that in part this trade is being carried on in contravention of the provisions of the Kenya Meat Commission Ordinance and steps will be taken to bring it within the framework of the law. (cf. paras. 19 and 43).

48. Para. 106.

"It is considered that any attempt at price control in the African areas is impracticable and unjustifiable."

While the Government recognises the great difficulty of imposing price control on meat in most African areas, it does not consider that such control is necessarily impracticable. Nevertheless, it agrees that in present circumstances the attempt to impose control is neither justified nor desirable.

49. Para. 108:

"The African Livestock Marketing Organisation at present has monopolistic powers in two areas only, namely, Samburu and the Northern Frontier (excluding Garissa District), but only in Samburu where a quota system is in force is it able to purchase adequate numbers."

"Sales resistance is evident in the Northern Frontier since owners object to selling to a monopolistic organisation."

Mr. Neville has only partly understood the position. ALMO has operated in the Samburu district without trader competition because of disease restrictions on movement of stock. In the Northern Province ALMO operates its stock purchases largely through traders and it is from this Province that a very large proportion of ALMO's stock derives.

The African Livestock Marketing Organisation.

50. (Report, paras. 110 - 126)

Para. 112.

"Over the past 18 months ALMO has suffered considerable financial loss in its dealings with the Commission in an attempt to meet the demands of that organisation."

Para 115 (see over)

"In fact ALMO an organisation financed by the Kenya Government has lost money to enable the Kenya Meat Commission to augment its profits derived from the export trade."

These statements are not entirely accurate as the emphasis that is laid on them seems to indicate some lack of understanding of ALMO's terms of reference. Set up as the agency of Government for the disposal of surplus stock ALMO has been instructed to carry out its policy of reducing cattle to the carrying capacity of the land as it is firmly believed that this will be of both immediate and of long-term benefit to the African and through him to the Colony in general. Realising that this service could not be expected to show a net profit and yet wishing to keep losses within bounds which the Colony could reasonably bear, Government laid down that the organisation should be required to show no loss on its trading account only. This position it has maintained, though it has undoubtedly made net losses when its overheads are taken into account. These losses are the calculated cost of the policy and do not arise from the Meat Commission's demands, nor are they made to enable the Meat Commission to enhance its export profits.

51. Having made its purchases from all sources the Kenya Meat Commission, being primarily a commercial organisation, is free to dispose of its surplus in the most profitable market once the demands of the public of the Colony have been satisfied. It is not the function of the Commission to subsidise production or trading costs, though it is worth mentioning that any trading profits made by it are distributed between the European producers and ALMO, as representative of the African producers, on a pro rata basis.

52. Paras. 118 - 121

Para. 118:

"The ALMO in the closest conjunction with the Administration should now concentrate on the organisation of markets in the producing areas and of resale markets in the consuming areas."

"The establishment of resale markets in Central Province is clearly indicated, and one obvious site would appear to be Sagana."

Para. 119

"Traders should be encouraged to attend these markets and every assistance should be afforded to them to enable them to move stock to its ultimate destination."

Para. 120/

Para. 120:

"In addition to this ALMO should be prepared to buy at any sales in the producer areas for resale in the consuming areas or to fulfil its quota to the Kenya Meat Commission. In so doing it can stabilise the market by breaking trade "rings" and by purchasing stock on offer if insufficient traders attend any market."

Para. 121:

"Its functions should be to put a "bottom" in the market, but if markets are proceeding satisfactorily and there are adequate numbers of traders to absorb stock, the organisation should not compete."

Government accepts these recommendations within the limits imposed by the need for the continuance of organised marketing under legal authority in all areas.

53. Para. 123:

"It is essential that marketing should be organised on a Colony basis and inter-district and inter-provincial restrictions should be kept to a minimum."

Para. 125.

"It is considered that no restriction should be imposed without the prior approval of the Board of the African Livestock Marketing Organisation."

While the view of the Board of the ALMO must be taken into consideration, the Government does not agree that the final decision on such matters should rest with this Board.

54. Para. 126:

"The existing staff of ALMO is quite inadequate numerically to implement these recommendations and in view of the seriousness of the problem an immediate expansion of this Organisation is considered essential."

Government recognises that some increase in the staff of the African Livestock Marketing Organisation is necessary in order to ensure orderly marketing of African stock. Provision for this purpose is included in the Development Plan 1957 - 60 and some

additional/

additional staff has already been recruited.

Hoifers and Store Cattle

55. (Report, paras. 127 - 130)

Government accepts these recommendations which have already been implemented.

Field Abattoirs

56. (Report, paras. 131 - 133)

Government has under constant review the need for field abattoirs and their economic use.

Movement of Stock

57. (Report, paras. 134 - 142)

The Government agrees that the greatest problem today of livestock marketing in the African areas is one of disease control and has for some time past concentrated attention on this problem. Apart from the normal work which the Department of Veterinary Services undertakes constantly in the battle against disease, preparations for the manufacture of Foot and Mouth vaccine locally are going ahead and very large inoculation campaigns have recently been carried out to control bovine pleuro-pneumonia in Masai. Further mass inoculations are being arranged.

Education

58. (Report, paras. 143 - 145)

Government fully agrees that great importance must be attached to the educational value of controlled

ranching and grazing schemes in the African areas, and through the African Land Development Board has assisted in their formation and development. It has been arranged that the Veterinary Department will control the livestock policy and supply the necessary technical supervision for these ranches.

The Scrub Stock and Female Stock Problems

59. Para. 155:

"It is suggested that your advisers should report on the following proposition. "That all female stock should be subject to a tax imposed by the Government of Kenya in those areas or farms considered to be overstocked by a competent Board; that the tax should be substantial and that it should apply to farmers of all races."

"This tax should not be regarded as a means of raising revenue for Central Government. Any revenue accruing after expenses of collection have been deducted should be devoted to the improvement of the livestock industry."

The Government is examining the possibility of imposing such a tax.

60. Mention may here be made of three aspects of meat marketing not mentioned in the Report. Firstly, the relation between wholesale prices (controlled) and retail prices (at present uncontrolled). This is being investigated and it may be necessary to reimpose control of retail prices to avoid exploitation of the consumer. Secondly, the sheep industry. This is expanding in the mixed farming areas and should, in Government's view, develop into an important part of the country's agricultural industry. Thirdly, the vital necessity of finding a means of disposing of the large numbers of poor quality sheep and goats in the African areas which constitute a greater problem than cattle in many cases.

61. The Government proposes to implement its views set out in this paper by the introduction of appropriate legislation and by the provision where necessary of funds for the purpose.

Ministry for Agriculture, Animal Husbandry
& Water Resources,

NAIROBI.

April, 1957.