BAD REGULATIONS HURTING TOBACCO INDUSTRY

MIGORI, NYANZA, KENYA, September 21, 2014 /EINPresswire.com/ -- BAD REGULATIONS HURTING TOBACCO INDUSTRY
Tobacco farmers are getting a raw deal from tobacco companies in Kenya because of bad/poor regulations or lack of a regulatory framework in the sub sector.
Currently, MASTERMIND TOBACCO KENYA (MTK) owes farmers over 100 million(kenya shillings) unpaid deliveries since January yet it boasts that it cannot be chased out of Migori by the governor. This is unethical behavior because of the existing regulatory vacuum in the current CAP 321(Tobacco growing and marketing rules) which farmers now want changed for the betterment of the industry.
Recently, migori county governor Okoth Obado said that he will ban MTK from operating in the county because of their unwarranted and unethical business.(the firm was once banned from operating in Uganda because of the same behavior)The statement by one of their managers Mr. J Kirimania is a slap on the faces of farmers and an insult to the county government and negates any efforts by KETOFA.
Farmers are also not receiving bonuses at the end of the season because of the highhandedness of the tobacco companies who only reap from farmers their hard earned sweat.
Tobacco prices are also very low compared with other African countries because there is no regulator and the national government only receives cigarette taxes-sin tax, without protecting the farmers from exploitation by the multinationals. (Kenya pays the highest grade only khs 225 per kilo while other African countries like Zimbabwe pay an equivalent of kshs 460 per kilo.) It is only that tobacco grows in harsh climatic conditions where no other crop can grow to maturity hence currently farmers' don't have other economically viable alternatives with ready market.
KETOFA therefore calls upon the Tobacco producing counties to come together and enact proper regulations to govern tobacco growing and marketing.
“We also call upon the governors to immediately form a tobacco commission that will license the investors and check on such errant investors like MTK” Says the national KETOFA chairman Augustine Mwita.
The counties should also look for other investors or partners to invest in the lucrative sector because the multinationals are not assisting the farmers in the pro-poor concept of rural development.
“Some companies are boasting of making millions of profit which is deposited outside Kenya with complete disregard of the suffering farmers” says Mr. mwita.
“Now that Agriculture has been fully devolved to the counties, the county governments should move with speed and use the powers conferred to them by the constitution and the CROPS ACT to save the farmers from these greedy investors.” Insists Mr. mwita
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