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NATIONAL IRRIGATION BOARD



ANNUAL REPORT & ACCOUNTS

1994/95

ANNUAL REPORT

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IRRIGATION SCHEMES

Ahero, Bunyala, Mwea, Perkerra
Hola and West Kano.

The Hon Hussein M. Mohammed, EGH, MP.
Ministry of Land Reclamation, Regional and Water Development
Nairobi

Dear Sir,

In accordance with Section 23 of the Irrigation Act, 1966, I have pleasure in submitting the Annual Report and Accounts for the year ended 30th June, 1995 for submission to the National Assembly.

Yours faithfully

Josiah Kimemia
Chairman
Nairobi,
30th June, 1995

PART I**THE YEAR UNDER REVIEW**

During the year under review, as in the previous year, agricultural activities took place in five of the six schemes under National Irrigation Board. Rice was produced in four of the schemes and remained the most important crop. It accounted for 92.95% of the schemes crops gross value. Other crops grown were onions, chillies, cotton, water melons and pawpaws. Maize was grown in Mwea Irrigation Settlement and Perkerra Irrigation Scheme mainly for subsistence. The area under crop increased slightly from 8,101 in 1993/94 to 18,117 hectares during the year under review.

There were no farming activities in Hola Irrigation Scheme as was the case in the previous year due to lack of irrigation water which was caused by River Tana having changed its course at the schemes water intake point. The total gross value of the crops grown in the five schemes increased from K£15,986,318 in 1993/94 to K£16,987,561 in the year under review, an increase of 6.3%. However, there was a decrease in the net payment to farmers from K£8,501,604 in the previous year to K£8,143,020 during the year under review, a drop of 4.2%. The improvement in gross value of the crops was attributed to increase in producer prices of paddy. Paddy producer prices rose from Kshs. 8.00 to Kshs. 8.40 per kg for Sindano and from Kshs. 11.20 to Kshs. 12.00 per kg for Basmati. But the drop in net payment to farmers was attributed to lower paddy deliveries in the other three rice schemes except Mwea and lower prices for onions and chillies.

Detailed Engineering Design works for phase II of Mwea Irrigation Development Project continued during the year under review. At Hola Irrigation Scheme there was no progress on the re-location of the pump station due to lack of funds as in the previous year.

PART II**STAFF AND ADMINISTRATION**

The staff situation remained satisfactory. The staff establishment decreased from 1,042 in June 1994 to 1,015 in June 1995, a decrease of 2.6%.

As in the previous year, one Japanese Irrigation Engineer was attached to the Engineering Department at Head office while seven experts were based at Mwea Irrigation Agricultural Development (MIAD) Project as part of the Technical co-operation with Japanese International Cooperation Agency (JICA). The composition of Board staff as at 30th June 1994 and 30th June 1995 is shown in Table 1.

TABLE I**STAFF ESTABLISHMENT AS AT 30TH JUNE 1994 AND 30TH JUNE 1995**

STATION	GRADE OF STAFF							
	SENIOR		JUNIOR		SUBORDINATE		TOTAL	
	1994	1995	1994	1995	1994	1995	1994	1995
Head Office	70	66	49	58	10	9	129	133
Mwea	26	25	240	226	99	98	365	349
MIAD	18	18	24	37	14	1	56	56
Perkerra	6	4	63	63	26	30	95	97
Hola	1	2	21	30	31	26	53	58
Ahero	17	14	109	95	33	26	159	135
Ahero Research	8	8	27	24	12	15	47	47
West Kano	4	3	65	70	21	24	90	97
Bunyala	2	1	18	25	16	17	36	43
TOTAL	152	141	616	628	262	246	1,030	1,015

PART III**IRRIGATION AND ENVIRONMENT**

As in the previous years, the Board continued to be involved in the general environment and health management in all the schemes in collaboration with the Ministry of Health and other medical organizations. The main programmes were aimed at prevention of diseases prevalent in irrigated areas such as malaria and Bilharzia (Schistosomiasis), environmental management, health education and treatment where necessary. Some sporadic outbreaks of Typhoid fever occurred at Mwea Irrigation Settlement during the year under review, but the situation was brought under control through the combined efforts of both the Board and Ministry of Health staff.

Limited quantities of anti-malarial drugs were provided especially to pregnant women and children. The Board continued to apply molluscides for control of snail vectors and High Spreading (H.S) oils for control of mosquito larvae. The environmental management undertaken to reduce incidents of diseases included such operations as clearing of the vegetation in the canals, filling of water troughs, draining of unwanted water bodies and proper disposal of items which could hold water. Farmers were encouraged to keep sound sanitation around their homesteads to minimize bacterial infections and parasitic infestations. Board staff also organized barazas for health education purposes. During the barazas, the farmers were taught generally about some of the diseases common in their schemes and how to take preventive measures. The diseases covered included AIDS, Bilharzia, Malaria, Intestinal helminths, Amoebiasis and bacterial infections. Nutrition and family planning were discussed.

During the year under review, a few health activities were carried out by the Board in collaboration with other medical organizations. Population and Health Services (PHS) provided various family planning devices to both staff and farmers while African Biodiversity Institute (ABI) Project organized sale of drugs through Bamako Initiative Pharmacies at Mwea.

PART IV**PRODUCTION AND SETTLEMENT**

The trends in irrigated agricultural production in the six schemes are as shown in Table II. As in the previous year, there was no production at Hola Irrigation Scheme due to the change in the course of River Tana which left the pumping station dry. The total gross value of crops grown in the five operational schemes increased from K£15,986,318 in 1993/94 to K£16,987,561 during the year under review, an increase of 6.3%.

The scheme by scheme gross returns per hectare for both 1993/94 and 1994/95 are summarized in Table III. The mean gross return per hectare decreased from K£2,756 in 1993/94 to K£2,091 in 1994/95 a decrease of 24.1%. Mean net return per farmer also decreased from K£1,431 in 1993/94 to K£1,090 during the year under review, a decrease of 23.9%.

Table II

IRRIGATION PRODUCTION 1965/66, 1993/94 AND 1994/95

SCHEME	PARTICULARS	UNITS	1965/66	1993/94	1994/95
Mwea Irrigation Settlement	Area Cropped	Ha.	2,593	5,882	5,878
	Plot holders	No.	1,484	3,242	3,242
	Paddy Yield	M-tonnes	14,454	24,206	24,892
	Gross Value Crop	K£	318,662	11,844,567	13,842,238
	Payment to Plot Holders	K£	189,136	6,683,876	7,134,217
Ahero Irrigation Scheme	Area Cropped	Ha.		857	860
	Plot Holders	No.		519	519
	Paddy Yield	M-tonnes		2,712	1,993
	Gross Value Crop	K£		1,084,860	837,131
	Payment to Plot Holders	K£		428,057	118,768
West Kano Irrigation Scheme	Area Cropped	Ha.		898	900
	Plot Holders	No.		553	553
	Paddy Yield	M-tonnes		2,997	1,726
	Gross Value Crop	K£		1,196,628	724,914
	Payment to Plot Holders	K£		353,509	99,079
Bunyala Irrigation Scheme	Area Cropped	Ha.		213	214
	Plot Holders	No.		131	132
	Paddy Yield	M-tonnes		1,072	917
	Gross Value Crop	K£		428,970	384,972
	Payment to Plot Holders	K£		195,171	165,642
Perkerra Irrigation Scheme	Area Cropped	Ha.			
	Onions	Ha.	231	111	108
	Chillies	Ha.		78	69
	Water Melon	Ha.		23	28
	Pawpaws	Ha.		11	16
	Cotton	Ha.		28	39
	Plot Holders	No.	403	393	394
	Yields:				
	Onions	M-tonnes	2,499	997	1360
	Chillies	M-tonnes		159	122
	Water Melon	M-tonnes		264	344
	Pawpaws	M-tonnes		265	343
	Cotton	M-tonnes		75	120
	Gross Value Crop	K£	70,837	1,429,293	1,198,306
Payment to Plot Holders	K£		840991	625,314	
Hora Irrigation Scheme	Area Cropped	Ha.	449	0	0
	Plot Holders	No.	276	0	0
	Paddy Yield	M-tonnes	822	0	0
	Gross Value Crop	K£	43,312	0	0
	Payment to Plot Holders	K£	26,813	0	0
TOTAL NIB SCHEMES	Area Cropped	Ha.	3,273	8101	8,117
	Plot Holders	No.	2,163	4,838	4,840
	Gross Value Crop	K£	432,811	15,986,318	16,987,561
	Payment to Plot Holders	K£	215,949	8,501,604	8,143,020

TABLE III

GROSS RETURN PER HA AND NET RETURN PER FARMER

SCHEME	GROSS RETURN PER HA		NET RETURN PER FARMER	
	K£		K£	
	1993/94	1994/95	1993/94	1994/95
Mwea	2014	2355	2062	2201
Ahero	1266	973	825	229
West Kano	1988	805	639	179
Bunyala	2013	1799	1489	1255
Perkerra	6497	4522	2140	1587
Mean	2756	2091	1431	1090

TABLE IV

1994/95 DISTRIBUTION OF FARMERS INTO INCOME PER FARMER

DISTRIBUTION OF FARMERS INTO INCOME CLASSES						
Net Return Classes Ksh	Mwea No. %	Ahero No. %	West Kano No. %	Bunyala No. %	Perkerra No. %	Total No. %
0 - 1000	287 8.9	261 50.3	350 63.3	12 9.0	178 45.2	1088 22.4
1001 - 2000	30 0.9	33 6.4	34 6.1	2 1.5	2 0.5	101 2.1
2001 - 3000	45 1.4	33 6.4	22 4.0	0 0	7 1.8	107 2.2
3001 - 4000	44 1.4	16 3.1	16 2.9	0 0	7 1.8	83 1.7
4001 - 5000	38 1.2	18 3.1	14 2.5	1 0.8	8 2.0	79 1.6
5001 - 6000	51 1.6	14 2.7	20 3.5	0 0	4 1.0	89 1.8
6001 - 7000	54 1.7	20 3.9	9 1.6	2 1.5	7 1.8	92 2.0
7001 - 8000	53 1.6	25 4.9	11 2.0	1 0.8	2 0.5	92 2.0
8001 - 9000	53 1.6	13 2.6	12 2.2	0 0	6 1.5	84 1.7
9001 - 10000	74 2.2	12 2.3	7 1.3	2 1.5	7 1.8	102 2.1
10001 +	2513 77.5	74 14.3	58 10.5	112 84.9	166 42.1	2923 60.4
TOTAL	3242 100.0	519 100.0	553 100.0	132 100.0	394 100.0	4840 100.0

TABLE V

1993/94 DISTRIBUTION OF FARMERS INTO INCOME CLASSES

DISTRIBUTION OF FARMERS INTO INCOME CLASSES						
Net Return Classes Ksh	Mwea No. %	Ahero No. %	West Kano No. %	Bunyala No. %	Perkerra No. %	Total No. %
0 - 1000	266 8.2	41 7.9	152 27.5	7 5.3	79 20.1	545 11.3
1001 - 2000	30 0.9	10 1.9	49 8.9	0 0.0	8 2.0	97 2.0
2001 - 3000	20 0.6	10 1.9	10 1.8	1 0.8	5 1.3	46 1.0
3001 - 4000	14 0.4	9 1.7	11 2.0	0 0.0	12 3.1	46 1.0
4001 - 5000	24 0.8	14 2.7	16 2.9	0 0.0	14 3.6	68 1.4
5001 - 6000	32 1.0	14 2.7	10 1.8	1 0.8	10 2.5	67 1.4
6001 - 7000	42 1.3	14 2.7	10 1.8	2 1.5	7 1.8	75 1.5
7001 - 8000	39 1.2	14 2.7	9 1.6	1 0.8	10 2.5	73 1.5
8001 - 9000	33 1.0	16 3.1	10 1.8	1 0.8	12 3.1	72 1.5
9001 - 10000	43 1.3	16 3.1	11 2.0	1 0.8	4 1.0	75 1.5
10001 +	2699 83.3	361 69.6	265 47.9	118 89.4	232 59.0	3675 75.9
TOTAL	3242 100.0	519 100.0	553 100.0	132 100.0	393 100.0	4839 100.0

PART V**THE IRRIGATION SCHEMES****1. MWEA IRRIGATION SETTLEMENT**

In Mwea Irrigation Settlement, paddy deliveries to the reception centres increased marginally from 24,206 tonnes in 1993/94 season to 24,892 tonnes in 1994/95 season, an increase of 686 tonnes or 2.8%. A much higher delivery would have been recorded if farmers had refrained from paddy smuggling and illegal retention of harvested paddy. A mean yield of 22.9 bags/acre (4.2 t/ha) was recorded as compared to 22.2 bags/acre (4.1 t/ha), in the previous year, an increase of 0.7 bags/acre or 3.2%. Sindano variety was grown in 4,524 acres (1,831 ha) with average delivery of 34 bags per acre (6.3 t/ha) while Basmati variety was grown in 9,992 acres (4,044 hectares) with average delivery of 18 bags per acre (3.3 t/ha). The farmers retained for home consumption a total of 45,246 bags (3,393 tonnes) which is not included in the deliveries to reception centres.

The 1994/95 paddy crop realized a gross value of K£13,842,238 as compared to K£11,844,567 in the previous year, an increase of 16.9%. The above improvement in gross value of crop is attributed to both higher crop deliveries and increase in paddy producer prices. The prices rose from Ksh. 8.00 to Kshs. 8.40 per kg and from Kshs. 11.20 to Kshs. 12.00 per kg for Sindano and Basmati paddy respectively.

There was an improvement in the mean net income per farmer from Kshs. 41,233 in 1993/94 to Kshs. 44,011 during the period under review, an increase of 6.7%. The number of farmers earning over Kshs. 10,000 decreased from 83.3% in 1993/94 to 77.5% during the period under review. Lack of spares and at times intermittent shortage of water were experienced. However, the working spirit was very high among the staff involved in rotavation exercise. A total of 5,840 ha were rotavated in 132 days in 1994/95 as compared to 5,833 ha in 111 days in the previous year. The average number of tractors in the field was 19 while the overall output was 2.39 ha/tractor/day as compared to 2.51 ha/tractor/day in 1993/94 with an average of 21 tractors.

During the year under review, some farmers grew a second crop during the long rains season in the scheme for demonstration purposes. Twenty farmers grew a second rice crop in 23 acres (9.31ha). They harvested 378 bags of paddy, averaging 16.4 bags per acre (3.0 t/ha). Six farmers grew 6 acres (2.43 ha) of soya beans whereas seventeen farmers grew green grams. It was very easy to dispose the green grams locally, but the soya bean crop had not been sold by the end of reporting period.

REFERENCE TABLES

- Table VI Mwea Rice Statistics 1985/86 - 1994/95.
- Table VII Distribution of Mwea Farmers over various income classes 1994/95.
- Table VIII Mwea Mechanical/Cultivation Statistics 1985/86 - 1994/95.

TABLE VI

MWEA RICE STATISTICS 1985/86 - 1994/95

Crop	PRODUCTION			Mean Net Return/ farmer Kshs.
	Ha.	Total M-tonnes	Mean Kg/Ha	
1985/86	8,271	26,407	4,530	9,017
1986/87	5,799	25,736	4,438	15,448
1987/88	5,795	27,153	4,686	16,695
1988/89	5,818	27,555	4,736	19,947
1989/90	5,820	26,713	4,590	18,718
1990/91	5,802	25,504	4,396	19,127
1991/92	5,815	29,274	5,034	27,609
1992/93	5,846	23,448	4,011	28,300
1993/94	5,882	24,206	4,115	41,233
1994/95	5,878	24,892	4,235	44,011

TABLE VII

DISTRIBUTION OF MWEA FARMERS OVER VARIOUS INCOME CLASSES 1994/95

Net Return class Kshs.	No. of Farmers	%
0 - 1000	287	8.9
1001 - 2000	30	0.9
2001 - 3000	45	1.4
3001 - 4000	44	1.4
4001 - 5000	38	1.2
5001 - 6000	51	1.6
6001 - 7000	54	1.7
7001 - 8000	53	1.6
8001 - 9000	53	1.6
9001 - 10000	74	2.2
10001 +	2,513	77.5
TOTAL	3,242	100
MEAN NET RETURN Kshs. 44,011		

TABLE VIII

MWEA MECHANICAL CULTIVATION STATISTICS 1985/86 - 1994/95

YEARS	CROP	TRACTORS No.	PRODUCTION	
			Total (Ha)	Mean Ha. per tractor/day
1985	1985/86	26	5,831	1.35
1986	1986/87	25	5,836	1.16
1987	1987/88	25	5,822	1.16
1988	1988/89	25	5,825	1.27
1989	1989/90	24	5,823	1.37
1990	1990/91	28	5,815	1.28
1991	1991/92	28	5,816	1.61
1992	1992/93	22	5,815	1.80
1993	1993/94	21	5,882	2.51
1994	1994/95	19	5,840	2.39

2. PERKERRA IRRIGATION SCHEME

During the year under review, the scheme received rainfall amounting to 447.1mm compared to 529mm recorded in 1993/94.

Onion production increased from 997 tonnes in 1993/94 to 1,360 tonnes from 108 ha during the year under review, an increase of 36.4%. This gave an average yield of 12.59 t/ha against that of 8.98 t/ha in the previous year (Table IX). But onion prices remained very low throughout the year (Tables X and XI). A total of 122.2 tonnes of dry chillies was realized from 69.4 hectares which was an equivalent of 1.8 t/ha. This was lower than the 2.1 t/ha realized in the previous year (Table XII). The low yields in the chillies crop was due to marketing problems and the low prices offered.

There was an increase in seed cotton production from 75 tonnes in 1993/94 to 120.3 tonnes during the year under review. The average yields improved from 2.86 t/ha in 1993/94 to 3.1 t/ha during the period under review (Table XVII). 343.3 tonnes of pawpaw were realized from 16 ha during the year under review as compared to 265 tonnes from 11 ha in the previous year. A total of 344.4 tonnes of water Melon was produced in 1994/95 as compared to 264 tonnes in 1993/94.

As a result of the low prices paid for both onion and chillies crops during the year under review, the gross value of the crops decreased from K£1,429,293 in 1993/94 to K£1,198,306, a decrease of 16.2%. The net payment to plot holders likewise decreased from K£840,991 in 1993/94 to K£625,314, a decrease of K£215,677 or 25.6% during the year under review (Table II). The mean net return per farmer also decreased from Kshs. 42,799 in the previous year to Kshs. 31,742, a decrease of Kshs. 11,057 or 25.8%. Perkerra Irrigation Scheme statistics are given in tables IX to XVII.

REFERENCE TABLES

TABLE IX	-	Perkerra Onion Crop Statistics 1985/86 - 1994/95
TABLE X	-	Perkerra Mean Monthly Onion prices 1994/95
TABLE XI	-	Perkerra Onion prices 1985/86 - 1994/95
TABLE XII	-	Perkerra Dried Chillies Crop Statistics 1985/86 - 1994/95
TABLE XIII	-	Perkerra Water Melon Crop Statistics 1985/86 - 1994/95
TABLE XIV	-	Perkerra Pawpaw Crop Statistics 1988/89 - 1994/95
TABLE XV	-	Monthly Pawpaw Sales 1994/95
TABLE XVI	-	Perkerra Cotton Crop Statistics 1988/89 - 1994/95
TABLE XVII	-	Distribution of Perkerra Farmers Over Various Net Income Classes 1994/95

TABLE IX

PERKERRA ONION CROP STATISTICS 1985/86 - 1994/95

YEAR	CROPPING (months)	HECTARE	PRODUCTION	
			Total M-ton	Mean Yield M-ton/Ha
1985/86	10	53	587	11.08
1986/87	10	68	492	7.24
1987/88	9	51	254	4.98
1988/89	7	88	939	10.67
1989/90	8	110	1,218	11.07
1990/91	9	111	1,630	14.68
1991/92	9	108	1,158	10.72
1992/93	8	133	1,914	14.39
1993/94	10	111	997	8.98
1994/95	9	108	1,360	12.48

TABLE X

PERKERRA MEAN MONTHLY ONION PRICES 1994/95

Month	MEAN PRICE - CENTS/KG	
	Grade 1	Grade 11
July 1993	1,132.00	1472.60
August	683.00	599.00
September	—	—
October	—	—
November	—	—
December	—	—
January 1994	1,452.76	1,334.64
February	1,437.85	1345.00
March	1,213.93	1161.43
April	1,011.01	687.35
May	1,045.85	821.07
June	1,093.92	880.71
YEAR MEAN	1,091.30	985.30

TABLE XI

PERKERRA ONION PRICES 1985/86 - 1994/95

YEAR	MEAN PRICE - CENTS/KG	
	Grade I	Grade II
1985/86	375.11	312.40
1986/87	545.38	438.45
1987/88	454.21	356.71
1988/89	517.86	431.20
1989/90	589.22	452.38
1990/91	736.29	555.30
1991/92	611.02	492.32
1992/93	1,181.38	1,056.85
1993/94	2,029.49	1,870.70
1994/95	1,091.30	985.30

TABLE XII

PERKERRA DRIED CHILLIES CROP STATISTICS 1985/86 - 1994/95

YEAR	NO. OF FARMERS	HECTARES	PRODUCTION	
			TOTAL (KG)	MEAN (KG/HA)
1985/86	384	91.40	223,771	2,448
1986/87	371	115.70	240,928	2,082
1987/88	141	36.50	67,900	1,860
1988/89	0	0.00	0	0
1989/90	99	28.00	70,957	2,534
1990/91	201	56.30	110,492	1,963
1991/92	203	57.30	156,605	2,733
1992/93	280	81.00	226,152	2,792
1993/94	274	78.00	159,708	2,047
1994/95	245	69.40	122,200	1,900

TABLE XIII

PERKERRA WATER MELON CROP STATISTICS 1985/86 - 1994/95

YEAR	NO. OF FARMERS	AREA CROPPED HA.	PRODUCTION M-TONNES /HA.	YIELD M-TONNES	GROSS VALUE K£	NET RETURN PER FARMER (KSHS)
1985/86	44	12	134	11.2	14,483	4,296
1986/87	47	13	71	5.5	10,120	2,252
1987/88	4	17	172	10.1	18,038	5,128
1988/89	42	18	148	8.2	15,836	4,612
1989/90	53	22	277	12.9	32,042	8,843
1990/91	84	24	271	11.5	34,903	5,563
1991/92	99	28	252	9	29,506	3,169
1992/93	114	32	524	16.4	80,615	8,492
1993/94	79	23	264	11	63,454	9,199
1994/95	99	28	344.4	12.3	129,741	18,051

TABLE XIV

PERKERRA PAWPAW CROP STATISTICS 1988/89 - 1994/95

YEAR	NO. OF FARMERS	AREA CROPPED HA.	PRODUCTION M-TONNES	YIELD KG/HA.	GROSS VALUE K£	NET RETURN PER FARMER (KSHS)
1987/88	25	10	127	12,711	4,025	0
1988/89	25	10	477	47,671	15,095	7,892
1989/90	34	14	355	22,140	9,278	3,431
1990/91	42	17	350	20,863	11,459	3,509
1991/92	24	9	313	34,792	13,332	9,089
1992/93	22	9	221	25,060	11,026	6,549
1993/94	40	11	265	24,091	25,271	8,295
1994/95	40	16	343.3	21,500	37,183	12,533

TABLE XV

MONTHLY PAWPAW SALES 1994/95

MONTH	SALES (Kg)
July 1994	8,791
August	14,129
September	14,444
October	76,751
November	91,391
December	38,484
January 1995	7,022
February	5,951
March	9,716
April	31,521
May	32,885
June	11,618
TOTAL	342,703

TABLE XVI

PERKERRA COTTON STATISTICS 1988/89 - 1994/95

YEAR	NO. OF FARMERS	AREA CROPPED HA.	PRODUCTION (KGS)	YIELD KG/HA.	GROSS VALUE KÉ	NET RETURN PER FARMER (KSH)
1988/89	10	4	16,762	4,191	5,027	6,386
1989/90	93	40	72,551	2,780	22,266	2,360
1990/91	148	41	113,505	2,742	55,799	5,145
1991/92	136	38	105,967	2,781	51,508	4,136
1992/93	140	40	117,195	2,959	87,896	8,187
1993/94	98	28	75,071	2,681	93,795	8,518
1994/95	137	39	120,300	3,085	147,322	11,143

TABLE XVII

DISTRIBUTION OF PERKERRA FARMERS OVER VARIOUS NET INCOME CLASSES 1994/95

NET INCOME CLASS (KSHS.)	NO. OF FARMERS	%
0 - 1000	178	45.2
1001 - 2000	2	0.5
2001 - 3000	7	1.8
3001 - 4000	7	1.8
4001 - 5000	8	2.0
5001 - 6000	4	1.0
6001 - 7000	7	1.8
7001 - 8000	2	0.5
8001 - 9000	6	1.5
9001 - 10000	7	1.8
10001 +	166	42.1
TOTAL	394	100.0

Scheme Mean Net Return per Farmer Kshs. 31,742

3. HOLA IRRIGATION SCHEME

As reported in the previous year, there were no farming activities carried out in the scheme during the period under review.

4. AHERO IRRIGATION SCHEME

During the year under review, the scheme delivered 1,993 tonnes of paddy as opposed to 2,712 tonnes in the 1993/94 crop, a decrease of 26.5%. The gross value of the crop dropped from K£1,084,860 in the 1993/94 to K£837,131 during the year under review, a decrease of 22.8%. The 519 farmers in the scheme earned a total net income of K£118,768 during the year under review compared to a net income of K£428,057 in 1993/94. The unit area yields decreased from 3.16 t/ha in 1993/94 to 2.32 t/ha during the year under review while the net income per farmer decreased from Kshs 16,495 in 1993/94 to Kshs. 4,577 a decrease of 360%.

There were shortages of tractors and rotavators for land preparation due to old age and lack of spares. To save the situation both dry and wet land preparation were undertaken in the scheme. A total of 334 acres (135.2 ha) were dry ploughed by private contractors. The tractor output decreased from 3.2 to 3.00 ha/tractor/day during the year under review. Ahero Irrigation Scheme production statistics, land preparation and distribution of farmers over various income classes are given in tables XVIII to XX.

TABLE XVIII**AHERO RICE STATISTICS 1985/86 - 1994/95**

YEAR	CROP	HA.	NO. OF GROWERS	PRODUCTION		
				TOTAL (M-TON)	YIELD (KG/HA)	RETURN/HOLDING
1985/86	35	450	285	1,565	3,478	6,516
1986/87	36	827	519	2,813	3,401	7,054
1987/88	37	517	334	1,339	2,590	2,779
	38	475	298	1,563	3,291	6,397
	39	461	291	1,393	3,022	5,261
1988/89	40	827	519	2,820	3,410	6,273
	41	827	519	2,983	3,607	6,773
	42	827	519	2,865	3,464	5,472
1989/90	43	853	519	2,800	3,283	9,240
1990/91	44	856	519	3,088	3,607	6,183
1991/92	45	858	519	1,990	2,319	6,474
1992/93	46	857	519	2,712	3,168	16,495
1993/94	47	860	519	1,993	2,318	4,577

TABLE XIX**AHERO DISTRIBUTION OF FARMERS OVER VARIOUS INCOME CLASSES 1994/95**

NET RETURN CLASS KSHS.	NO. OF FARMERS 1994/95	% 1994/95
0 - 1000	261	50.3
1001 - 2000	33	6.3
2001 - 3000	33	6.3
3001 - 4000	16	3.1
4001 - 5000	18	3.5
5001 - 6000	14	2.7
6001 - 7000	20	3.9
7001 - 8000	25	4.8
8001 - 9000	13	2.5
9001 - 10000	12	2.3
10001 +	74	14.3
TOTAL	519	100.0

Mean Net Return per Farmer Ksh. 4,577

TABLE XX**AHERO MECHANICAL CULTIVATION STATISTICS 1985/86 - 1994/95**

YEAR	CROP	NO. OF TRACTORS	TRACTOR OUTPUT	
			TOTAL AREA HA.	MEAN HA. TRACTOR/DAY
1985/86	36	8	794	0.87
	37	6	506	0.81
1986/87	38	7	475	0.89
1987/88	39	6	461	0.87
	40	6	827	0.91
1988/89	41	5	827	0.88
1989/90	42	6	817	0.91
1990/91	43	6	821	0.89
1991/92	44	6	856	0.81
1992/93	45	3	858	1.29
1993/94	46	3	857	3.20
1994/95	47	3	318	3.00

5. WEST KANO IRRIGATION SCHEME

During the year under review, there was a wide spread outbreak of Rice Yellow Mottle Virus (RYMV) disease in the scheme. 252 acres (102 ha) out of 2,224 acres (900 ha) planted with paddy in the scheme were extensively damaged by the disease. The RYMV infection was more than 60% in the 252 acres that gave yields below break even points. The remaining 1,972 acres (798 ha) were not severely affected and gave yields above break even points. However, high illegal retention of paddy by the farmers resulted in low delivery of paddy to the reception centre. A total of 1,726 tonnes were delivered during 1994/95 as compared to 2,997 tonnes during the previous year, a decrease of 42.4%. The gross value of the crop was K£724,914 during the year under review as compared to K£1,196,628 in 1993/94, a

decrease of 39.4%. The net payment to plot holders decreased from K£353,509 in 1993/94 to K£99,079 during the year under review, a decrease of K£254,430 or 72%. The net income per farmer also decreased from Kshs 12,795 in 1993/94 to Kshs. 3,583 during the year under review, a decrease of 72%.

As in the previous year, there were severe shortages of tractors and rotavators due to old age and lack of spares. Only 729.75 acres (295 ha) were rotavated by the Board tractors during the season. A total of 1,144.5 acres (463 ha) were dry ploughed by private contractors. The tractor output for the rotavated fields was 2.5 ha/tractor/day. West Kano rice production statistics and distribution of farmers over various net income classes are given in Tables XXI to XXIII respectively.

TABLE XXI

WEST KANO RICE STATISTICS 1985/86 - 1994/95

YEAR	CROP AREA	CROPPED FARMERS HA.	NO. OF FARMERS	PRODUCTION		
				TOTAL (M-TON)	YIELD (KG/HA)	MEAN NET RETURN PER HOLDING
1985/86	17	451	553	2,650	5,870	5,852
1986/87	18	451	553	2,319	5,141	7,356
1987/88	19	449	553	1,728	3,847	3,656
1988/89	20	449	553	2,387	5,303	5,065
1989/90	21	475	553	2,800	5,600	6,285
1990/91	22	734	553	2,546	3,469	7,780
1991/92	23	894	553	2,799	3,131	5,867
1992/93	24	585	553	2,303	3,934	9,580
1993/94	25	603	553	2,997	4,965	12,795
1994/95	26	900	553	1,726	1,918	3,583

TABLE XXII

WEST KANO MECHANICAL CULTIVATION STATISTICS 1985/86 - 1994/95

YEAR	CROP	NO. OF TRACTORS	TRACTOR OUTPUT	
			TOTAL AREA HA.	MEAN HA/TRACTOR/DAY
1985/86	17	4	451	1.1
1986/87	18	4	451	1.0
1987/88	19	5	451	0.7
1988/89	20	4	450	0.8
1989/90	21	6	451	0.8
1990/91	22	5	659	0.8
1991/92	23	5	730	0.8
1992/93	24	6	585	0.9
1993/94	25	2	603	3.2
1994/95	26	4	295	2.5

TABLE XXIII**DISTRIBUTION OF WEST KANO FARMERS OVER VARIOUS NET RETURN CLASSES 1994/95**

NET RETURN CLASS KSHS.	NO. OF FARMERS 1994/95	% 1994/95
0 - 1000	350	63.3
1001 - 2000	34	6.1
2001 - 3000	22	4.0
3001 - 4000	16	2.9
4001 - 5000	14	2.5
5001 - 6000	20	3.6
6001 - 7000	9	1.6
7001 - 8000	11	2.0
8001 - 9000	12	2.2
9001 - 10000	7	1.3
10001 +	58	10.5
TOTAL	553	100.0

Mean Net Income per Farmer Ksh. 3,583

6. BUNYALA IRRIGATION SCHEME

During the year under review a total of 214 ha were cropped. There were no significant disease incidences in the scheme. The Scheme experienced illegal retention of paddy by farmers resulting in lower deliveries compared to the previous years. A total of 917 tonnes of paddy were delivered during the year under review compared to 1,072 tonnes in 1993/94 a decrease of 14.5%. The gross value of the crop decreased from K£428,970 in 1993/94 to K£384,972 during the year under review, a decrease of 10.3%. The net payment to farmers decreased from K£195,171 in the previous year to K£165,642 in 1994/95, a decrease of 15.1%. The net return per farmer decreased from Ksh. 29,797 in the previous year to Ksh. 25,097 in 1994/95. The percentage of farmers earning Ksh. 10,000 and above decreased from 89.4% in 1993/94 to 84.9% during the year under review.

The tractor output increased from 1.62 ha/tractor/day in the previous year to 2 ha/tractor/day in 1994/95. Bunyala Rice Production statistics and distribution of farmers over various net income classes are given in tables XXIV to XXVI.

TABLE XXIV

BUNYALA RICE STATISTICS 1985/86 - 1994/95

YEAR	CROP	CROPPED AREA HA.	NO. OF FARMERS	PRODUCTION		
				TOTAL (M-TON)	YIELD (KG/HA)	MEAN NET RETURN PER HOLDING (Ksh)
1985/86	25	213	131	1,259	5,913	14,216
1986/87	26	213	131	1,209	5,674	13,476
1987/88	27	213	132	1,379	6,475	15,455
1988/89	28	213	132	1,243	5,836	14,526
1989/90	29	213	132	1,049	4,924	13,395
1990/91	30	84	54	335	3,989	11,230
1991/92	31	213	132	1,002	4,706	11,730
1992/93	32	211	131	1,095	5,142	19,703
1993/94	33	211	131	1,072	5,020	29,797
1994/95	34	214	132	917	4,283	25,097

TABLE XXV

BUNYALA MECHANICAL CULTIVATION 1985/86 - 1994/95

YEAR	CROP	NO. OF TRACTORS	TRACTOR OUTPUT	
			TOTAL AREA HA.	MEAN HA/TRACTOR/DAY
1985/86	25	2	213	1.40
1986/87	26	2	213	1.37
1987/88	27	2	213	
1988/89	28	1	213	1.07
1989/90	29	2	213	1.60
1990/91	30	2	85	1.94
1991/92	31	2	215	1.05
1992/93	32	2	211	1.13
1993/94	33	2	211	1.62
1994/95	34	2	146	2.00

TABLE XXVI

DISTRIBUTION OF BUNYALA FARMERS OVER VARIOUS NET INCOME CLASSES 1994/95

INCOME CLASS KSHS.	NO. OF FARMERS	
	1994/95	% 1994/95
0 - 1000	12	9.09
1001 - 2000	2	1.52
2001 - 3000	-	0.00
3001 - 4000	-	0.00
4001 - 5000	1	0.75
5001 - 6000	-	0.00
6001 - 7000	2	1.52
7001 - 8000	1	0.75
8001 - 9000	-	0.00
9001 - 10000	2	1.52
10001 +	112	84.85
TOTAL	132	100.0

Mean Net Return per Farmer Ksh. 25,097

PART VI

RESEARCH AND TRAINING

1. RESEARCH STAFF

Research staff establishment remained stable. As in the previous year, there were seven expatriate Japanese nationals stationed at Mwea Irrigation Agricultural Development (MIAD) Project. The staffing position as at 30th June 1995 is as shown in Table XXVII

TABLE XXVII

STAFF ATTACHED TO THE RESEARCH SECTION AS AT 30TH JUNE 1995

STATION	GRADE OF STAFF			TOTAL
	senior	Junior	Subordinate	
H/Office	1	0	0	1
Ahero	8	24	15	47
Mwea	2	5	4	11
MIAD	18	37	1	56
Perkerra	1	2	2	5
TOTAL	30	68	22	120

2. AHERO IRRIGATION RESEARCH STATION

The station continued to carry out research programmes aimed at alleviating various production problems in the rice growing schemes. The biggest challenge was the control of Rice Yellow Mottle Virus (RYMV) outbreak in West Kano Irrigation Scheme. A number of rice varieties were screened for their resistance to Rice Yellow Mottle Virus. Rice variety selection remained the main component in the rice research programmes. Trials were also carried out on proper crop management practices eg. fertilizer usage, weed control, crop protection practices and crop water requirements. General monitoring of water use was also carried out in the schemes.

3. MWEA IRRIGATION RESEARCH STATION

The research programmes in the station continued to be linked to those of Ahero Irrigation Research Station. Rice variety, Crop Management and Crop Protection trials were carried out in the station. The station was involved in monitoring pests and diseases incidences in Mwea Irrigation Settlement. The station as in the previous years continued to undertake multiplication of pure seed as well as supervising commercial rice seed production in the scheme.

4. MWEA IRRIGATION AGRICULTURAL DEVELOPMENT (MIAD) PROJECT

The Project as in the previous year continued with the implementation of the five year technical co-operation programme as signed in the schedule of implementation. The project was involved in rice variety selections, variety performance evaluation, soil improvement techniques, water management, machinery testing and utilization. The project continued to train both staff and farmers on various aspects of rice growing.

5. PERKERRA IRRIGATION RESEARCH STATION

The station carried out trials on onions, cotton and maize. Fertilizer, Irrigation and Crop Protection trials were carried out. Post-harvest keeping quality of onions was given special emphasis.

6. TRAINING

The Board continued as in the previous years to train both farmers and members of staff by holding seminars and organising courses locally. In addition the Board organised field days for farmers in various schemes. Fifteen members of staff attended courses outside the country as tabulated below:

JAPAN	-	12
EGYPT	-	2
PHILIPPINES	-	1

PART VII**DEVELOPMENT PROJECTS**

Construction work of the dormitory and dining hall facilities for the MIAD Project continued during the year under review. The detailed engineering design work for the Mutithi Extension started in the previous year was still in progress.

At Hola, there was no progress on the relocation of the pump station due to lack of funds as in the previous year.

There were no development projects either initiated or on-going in Perkerra, Ahero, Bunyala and West Kano Irrigation Schemes.

**REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE
ACCOUNTS OF THE NATIONAL IRRIGATION BOARD FOR THE
YEAR ENDED 30 JUNE 1995**

**REPORT OF THE AUDITOR-GENERAL (CORPORATIONS) ON THE AC-
COUNTS OF THE NATIONAL IRRIGATION BOARD FOR THE YEAR
ENDED 30 JUNE 1995**

I have examined the accounts of the National Irrigation Board for the year ended 30 June, 1995 in accordance with the provisions of Section 29(2) of the Exchequer and Audit Act, (Cap 412). I have obtained all the information and explanations that I needed for the purpose of the audit. Proper books of accounts have been kept by the Board and the accounts are in agreement therewith.

Except for the reservation set out herebelow, in my opinion, the Balance Sheet and the Income and Expenditure accounts, when read together with the notes thereon, present a true and fair view of the Board's state of affairs as at 30 June, 1995 and of its surplus for the year ended on that date.

DEBTORS – NCPB – KSHS. 22,170,128.

The debtors figure includes Kshs. 22,170,128 owed by the National Cereals and Produce Board since 1992/93 financial year. The debt has not been confirmed by NCPB but I understand that the two Boards are currently involved in reconciliation of their records. In view of the discrepancies of the two Boards' records and the long period the debt has been outstanding, its realization is in doubt and the current assets may be overstated.

W.K. KEMEI
AUDITOR-GENERAL (CORPORATIONS)

7th January, 1998.

NATIONAL IRRIGATION BOARD
CONSOLIDATED BALANCE SHEET AS AT 30th JUNE 1995

	NOTES	1995 K£	1994 K£
Fixed Assets	2	13,196,513	13,037,119
Investments	3	2,049,497	2,035,997
		15,246,010	15,073,116
CURRENT ASSETS			
Stocks & Work in Progress		6,825,081	10,727,002
Debtors		12,115,985	11,514,768
Short term Deposits		1,552,989	850,000
Bank balances		2,852,045	(612,640)
Cash in the Schemes		2,357,785	3,999,536
		25,703,885	26,478,666
CURRENT LIABILITIES			
Creditors		11,727,793	14,099,629
Net Current Assets/(Liabilities)		13,976,092	12,379,037
Total Assets		29,222,102	27,452,153
FINANCED BY:			
Excess of Income/Expenditure	5	18,188,378	16,783,497
Development Fund	7	584,761	584,761
Capital Fund	4	9,722,827	8,909,700
Tenants Welfare Fund	8	21,699	24,595
Loan Capital	9	1,453,678	1,483,514
Research & Pilot Schemes net Grants	11	(749,241)	(333,914)
		29,222,102	27,452,153

B.T.C. BARGORIA
GENERAL MANAGER

JOSIAH KIMEMIA
CHAIRMAN

NATIONAL IRRIGATION BOARD
CONSOLIDATED INCOME & EXPENDITURE ACCOUNT FOR OPERATING
SCHEMES FOR THE YEAR ENDED 30TH JUNE 1995

NOTES	1995 K£	1994 K£
INCOME:		
Land Preparation	1,882,299	1,591,315
Water Rates	84,105	24,613
Interest receivable	90,974	130,401
Traders commission		4,417
Transport of crops	322,549	320,354
Accountancy & Administration (MRM) & (WKRM)	118,361	80,410
Rice Account	5,775,295	5,047,235
Dividends	82,500	
Profit/loss on sale of assets	15,000	
Other operational income	469,312	(476,009)
TOTAL INCOME	8,840,395	6,722,736
EXPENDITURE		
Harvesting Charges	24,561	53,283
Staff costs	3,501,875	2,540,403
Training Expenses	23,220	16,229
Travelling and Entertainment	525,328	396,310
Office Expenses & insurance	1,287,787	836,349
Medical Expenses	214,220	111,127
Research and Training Project	89,855	14,385
Buildings and works mtce	814,672	592,493
Diesel, Petrol and Oils	1,275,696	1,386,424
Plant and Machinery mtce	704,525	480,576
Motor vehicles mtce	415,731	485,680
Tractors and Equipment mtce	1,006,061	487,807
Interest on Loans	(6,200)	18,922
Bad debts		16,237
Mills Rehabilitation Levy	328,840	
Auditors Remuneration	5,669	5,669
Depreciation of Fixed Assets	1,334,236	1,652,600
TOTAL EXPENDITURE	11,546,076	9,094,494
Excess of Income/Expenditure	(2,705,681)	(2,371,758)
Government Grants	3,040,000	961,343
(Deficit) Surplus	334,319	(1,410,415)

NATIONAL IRRIGATION BOARD

DETAILED BALANCE SHEET AS AT 30TH JUNE 1995

	HEAD OFFICE KES	MWEA KES	PERKERRA KES	TANA KES	AHERO KES	WEST KANO KES	BUNYALA KES
Fixed Asset Investments	528,200 2,035,997	5,068,737	367,926 13,500	2,014,892	1,628,652	3,418,203	169,904
	2,564,197	5,068,737	381,426	2,014,892	1,628,652	3,418,203	169,904
CURRENT ASSETS							
Stocks & Work in Progress	(245,559)	4,471,745	385,844	461,960	749,715	601,041	400,335
Debtors	1,145,460	4,754,944	1,520,330	513,253	2,010,240	1,770,909	400,851
Short term Deposits	1,552,989						
Bank balances	15,165,898	821,621	(2,058,812)	(1,445,257)	4,311,199	(4,721,334)	(5,98,873)
Cash on Hand	3,023	(247,913)	148,916	316,367	2,137,391		
	17,621,811	9,800,397	(3,722)	(153,677)	586,146	(2,349,384)	202,313
CURRENT LIABILITIES							
Creditors	2,000,482	6,914,378	102,500	892,264	1,301,893	395,516	120,760
Net Current Assets/Liabilities	15,621,329	2,886,020	(106,222)	(1,045,941)	(715,747)	(2,744,900)	81,553
Total Assets	18,185,526	7,954,757	275,204	968,951	912,905	673,303	251,457
FINANCED BY:							
Excess of Income/expenditure	18,188,378						
Development Fund		506,475			45,424	22,466	10,396
Capital Fund	746,389	5,972,904	275,204	968,951	867,480	650,838	241,061
Tenants Welfare Fund		21,699					
Loan Capital		1,453,678					
Research & Pilot Schemes net Grants	(749,241)						
	18,185,526	7,954,757	275,204	968,951	912,905	673,303	251,457

NATIONAL IRRIGATION BOARD

DETAILED INCOME & EXPENDITURE ACCOUNT FOR OPERATING SCHEMES FOR THE YEAR ENDED 30TH JUNE 1995

	HEAD OFFICE KE	MWEA KE	PERKERRA KE	TANA KE	AHERO KE	WEST KANO KE	BUNYALA KE
INCOME							
Land Preparation		1,336,140	(28,499)		278,006	177,088	119,564
Water Rates			33,755				50,350
Interest receivable	90,974						
Transport of crops		320,330	(52,914)		22,026	2,175	30,932
Accountancy & Administ. Fee	108,926				9,435		
Rice Account	5,775,295						
Dividends	82,500						
Profit/loss on sale of assets	15,000						
Other operational income	3,590	336,792	50,024	24,375	7,742	6,222	40,567
TOTAL INCOME	6,076,285	1,993,262	2,366	24,375	317,208	185,485	241,414
EXPENDITURE							
Harvesting Charges			328,216	137,214	14,969	9,592	146,995
Staff costs	844,692	1,166,375			557,244	321,138	
Training Expenses	22,478	742					
Travelling and Entertainment	164,733	123,260	76,159	21,976	95,523	23,180	20,497
Office Expenses & Insurance	403,338	507,763	62,925	98,056	164,700	39,685	11,321
Medical Expenses	115,476	43,655	6,439	10,959	30,277	6,494	920
Research and Training Project	48,491	36,537				4,727	100
Buildings & Works mtce	128,747	467,810	43,086	25,902	68,251	76,271	4,606
Diesel, Petrol and Oils	69,998	546,098	85,150	43,640	225,173	164,914	140,723
Plant and Machinery mtce		123,445	25,432	11,497	212,330	228,839	102,983
Motor vehicles mtce	69,490	172,632	33,445	15,652	87,489	19,726	17,297
Tractors and Equipment mtce		446,937	23,705	16,401	203,977	242,893	72,148
Interest on Loans		(6,200)					
Mills Rehabilitation Levy	328,840						
Auditors Remuneration	786	2,046	673	762	645	615	142
Depreciation of Fixed Assets	93,396	757,242	10,270	3,490	59,596	409,228	1,014
TOTAL EXPENDITURE	2,290,464	4,338,341	695,500	385,549	1,720,174	1,547,303	518,746
Excess of Income/Expenditure	3,785,821	(2,395,079)	(693,134)	(361,175)	(1,402,965)	(1,361,818)	(277,332)
Government Grants	1,900,000	1,030,000	35,000	25,000	30,000		20,000
Deficit/Surplus	5,685,821	(1,365,079)	(658,134)	(336,175)	(1,372,965)	(1,361,818)	(257,332)

NATIONAL IRRIGATION BOARD

RECEIPTS & PAYMENTS ACCOUNT FOR AHERO & TANA RESEARCH STATIONS FOR THE YEAR ENDED 30TH JUNE 1995

	AHERO RES. KSHS	TANA RES. KSHS	YALA SWAMP KSHS	SOUTH KANO KSHS	TOTALS KSHS 1995	TOTALS KSHS 1994
As at 30th June 1994	(13,864,181.00)	5,041,596.00	1,996,700.00	146,700.00	(6,678,286.00)	(6,679,185.00)
Government Grants	500,000.00				500,000.00	
PAYMENTS						
Staff Costs	4,413,114.85	631,167.60			5,044,282.45	5,044,282.45
Stock Provision	(555,714.94)	(101,079.34)			(656,794.28)	
Auditors Remuneration	8,762.00	7,865.00			16,627.00	16,627.00
Medical Expenses	269,740.28				269,740.28	269,740.28
Travelling & Entertainment	546,075.40	171.00			546,246.40	546,246.40
Agricultural Experiments	227,046.32	9,154.00			236,200.32	236,200.32
Office Expenses & Insurance	2,182,824.14	250,297.14			2,433,121.28	2,433,121.28
Maintenance & Running Expenses						
Petrol, Diesel & Oils	142,945.58				142,945.58	142,945.58
Motor Vehicles Maintenance	464,095.80				464,095.80	464,095.80
Tractor & Equipment Maintenance	8,915.45				8,915.45	8,915.45
Plant & Machinery Maintenance	30,540.00				30,540.00	30,540.00
Buildings & Works Maintenance	170,271.33				170,271.33	170,271.33
Fixed Assets Additions	99,346.47				99,346.47	
Bank Charges	1,000.00				1,000.00	9,362,985.89
Total Payments	8,008,962.68	797,575.40			8,806,538.08	(16,042,170.89)
Amt. Over/Under-Spent	(21,373,143.68)	4,244,020.60	1,996,700.00	146,700.00	(14,985,723.08)	(8,598,302.48)
	EXPENDITURE	GOVT. GRANTS			NET EXP.	
	£	£			£	
Cummulative Balance as at 30 June 1994	87,032,046.00	(80,353,760.00)			6,678,286.00	
Expenditure during the year 1994/95	8,806,538.08	(500,000.00)			8,306,538.08	
Cummulative Total as at 30th June 1995	95,838,584.08	(80,853,760.00)			14,984,824.08	

NATIONAL IRRIGATION BOARD

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 1995

2. FIXED ASSETS

	Irr. Works & Sewerage K£	F/hold Land & Buildings K£	Buildings at Scheme K£	P & M & Equipments K£	Tractors & M/Vehicles K£	TOTAL K£
Balance as at 30th June 1994	6,649,156	191,141	3,036,283	3,767,510	5,813,944	19,458,034
Additions	3,759		773,577	85,590	835,063	1,697,989
Disposals					(30,760)	(30,760)
Balance as at 30th June 95	6,652,915	191,141	3,809,860	3,853,100	6,618,247	21,125,263
Depreciation						
At 30th June 1994		2,856	592,882	1,927,770	4,101,766	6,625,273
Charge for the year		134	50,228	411,412	872,462	1,334,236
Writeback on Disposals					(30,760)	(30,760)
At 30th June 1995		2,990	643,110	2,339,182	4,943,468	7,928,750
Net Book value 1995	6,652,915	188,151	3,166,750	1,513,918	1,674,779	13,196,513
At 30th June 1994	6,649,156	188,285	2,440,177	2,047,345	1,712,156	13,037,119

NATIONAL IRRIGATION BOARD
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH JUNE, 1995

ACCOUNTS POLICIES

1. BASIS OF ACCOUNTING

The accounts are prepared on the historical cost basis of accounting.

STOCKS

Stock is valued at the lower of cost and estimated net realisable value.

DEPRECIATION OF FIXED ASSETS

Depreciation is calculated to write off the cost of the fixed assets over their anticipated useful lives at the following rates:-

Irrigation works and sewerage system	None
Freehold land and buildings	None
Buildings at schemes	2%
Plant, machinery and equipment	10%
Tractors and motor vehicles	20% to 33 ¹ / ₃ %

PILOT SCHEMES

Until a scheme has become operational, the Board produces only a receipts and payments account and carries forward the net costs as development expenditure.

When the scheme becomes operational, the accumulated costs are fixed assets and the grants received transferred to capital fund.

GOVERNMENT GRANTS

The Government has agreed to provide grants to cover legitimate prior years' deficits on operational schemes and an appropriate adjustment is made to the total deficits carried forward each year in the income and expenditure accounts. In addition, capital grants are provided by the Government.

INTEREST ON LOANS

Interest on loans to the Board is included as an expense as it accrues and is calculated on the principal amount of the loans outstanding.

TAXATION

The National Irrigation Board is exempted from Kenya Income Tax.

3 INVESTMENTS	1995	1994		
Mwea Rice Mills Ltd. 55% shareholding	137,500	137,500		
Western Kenya Rice Mills Ltd 91.1% shareholding	1,898,496	1,898,496		
Perkerra Flower Project	13,500			
	<u>2,049,496</u>	<u>2,035,996</u>		
4 CAPITAL FUND				
Balance brought forward	8,909,700	6,944,608		
Capitalised during the year	813,127	1,965,092		
	<u>9,722,827</u>	<u>8,909,700</u>		
5. EXCESS OF INCOME OVER EXPENDITURE				
(a) Balance brought forward	16,783,497	12,430,482		
Adjustment	1,070,562	5,763,430		
Excess of Income over expenditure for the year	334,319	(1,410,415)		
	<u>18,188,378</u>	<u>16,783,497</u>		
6 RICE PROCESSING ACCOUNT				
	£	£		
Sales		540,774,895		
Opening Stock	11,355,068			
Add - Purchases	22,384,196			
	<u>33,739,264</u>			
Less - Closing Stock	<u>12,322,570</u>	21,416,694		
		<u>519,358,201</u>		
7 DEVELOPMENT FUND				
Up to 30th June, 1993 the price structure for rice sales by the National Irrigation Board to the National Cereals & Produce Board set aside an amount of Shs. 2.50 per bag of the rice towards a development fund. These funds are used where necessary to defray losses. The amount received into the funds and as yet unused to defray losses as at 30th June, 1995 are as follows:-				
MWEA	AHERO	BUNYALA	WEST KANO	TOTAL
K£	K£	K£	K£	K£
506,475	45,424	10,396	22,466	584,761
8. TENANTS WELFARE FUND				
	1995	1994		
	K£	K£		
Balance brought forward	24,595	27,029		
Increase/Decrease during the year	(2,896)	(2,434)		
Balance carried forward	<u>21,699</u>	<u>24,596</u>		

9. LOAN CAPITAL

	1995 K£	1994 K£
(a) (1) Kenya Government loan in respect of Mwea Repayments	1,389,842 (4,470)	1,593,181 (203,339)
	1,385,372	1,389,842
(b) Mwea Rice Mills Ltd Loan for Tenants housing Repayments	93,672 (25,366)	93,672
	68,306	93,672
Total Loans as at 30th June, 1995	1,453,678	1,483,514

(c) The balance in (a) above is for double crop in Mwea Scheme which was irredeemable and interest free.

(d) Mwea Rice Mills Ltd. loan includes an amount of K£62,440 as at 30th June 1995. The amount of K£31,232 is not governed by formal agreement. Under the terms of the Irrigation Act, all government loans are secured by a first charge on the property, assets, revenues and funds of the Board.

10. SUBSIDIARY COMPANY

The Board has 55% and intends to own 60% (actual 91.7%) equity in Mwea Rice Mills Ltd respectively.

Due to the very different nature of the operations of these companies, it has not been considered appropriate to consolidate the accounts of the Board and those of the subsidiaries.

