EVOLUTION AND GROWTH OF COFFEE COOPERATIVE SOCIETIES
IN KIPKELION, KERICHO COUNTY, KENYA: 1923 – 2012

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C50/28957/2014

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ARTS (HISTORY) OF KENYATTA UNIVERSITY

JUNE 2019
DECLARATION

This thesis is my original work and has not been presented for a degree award in any other University.

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DEDICATION

This thesis is a dedication to my beloved dad and mum for their material and emotional support. They also taught me the virtues of integrity, discipline and hard work. It is also dedicated to my dear son and daughter for their encouragement and to my husband for care, love and support throughout my study; you gave me the strength to keep moving every day.
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## ABBREVIATIONS AND ACRONYMS

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
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<tbody>
<tr>
<td>CAPS</td>
<td>Cherry Advance Payment Systems</td>
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<tr>
<td>CBK</td>
<td>Coffee Board of Kenya</td>
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<tr>
<td>CFDS</td>
<td>Coffee Factory Development Schemes</td>
</tr>
<tr>
<td>CMS</td>
<td>Coffee Management Service</td>
</tr>
<tr>
<td>CRF</td>
<td>Coffee Research Foundation</td>
</tr>
<tr>
<td>DPS</td>
<td>Direct Payment Systems</td>
</tr>
<tr>
<td>F.G.D</td>
<td>Focus Group Discussion</td>
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<tr>
<td>FILS</td>
<td>Farm Input Loans Schemes</td>
</tr>
<tr>
<td>FLO</td>
<td>Fair-trade Labeling Organization</td>
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<tr>
<td>GOK</td>
<td>Government of Kenya</td>
</tr>
<tr>
<td>ICO</td>
<td>International Coffee Organization</td>
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<tr>
<td>ICPS</td>
<td>Improved Coffee Payment System</td>
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<td>ILO</td>
<td>International Labour Organization</td>
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<tr>
<td>IMF</td>
<td>International Monetary Fund</td>
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<td>K.I.I</td>
<td>Key Informant Interview</td>
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<tr>
<td>KA.FCS</td>
<td>Kapngetuny Farmers’ Cooperative Society</td>
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<tr>
<td>KA.FCS</td>
<td>Kapngetuny Farmers’ Cooperative Society</td>
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<tr>
<td>KCCE</td>
<td>Kenya Coffee Cooperative Export</td>
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<tr>
<td>KCDCU</td>
<td>Kipkelion Coffee District Co-operative Union</td>
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<tr>
<td>KFA</td>
<td>Kenya Farmers Associations</td>
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<tr>
<td>KNHRC</td>
<td>Kenya National Human Rights Commission</td>
</tr>
<tr>
<td>Acronym</td>
<td>Full Name</td>
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<tr>
<td>KO.FCS</td>
<td>Koisagat Farmers’ Cooperative Society</td>
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<tr>
<td>MOCD</td>
<td>Ministry of Co-operative Development</td>
</tr>
<tr>
<td>NACOSTI</td>
<td>National Commission for Science Technology and Innovation</td>
</tr>
<tr>
<td>O.I</td>
<td>Oral Interview</td>
</tr>
<tr>
<td>PRSP</td>
<td>Poverty Reduction Strategy Paper</td>
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<tr>
<td>RA</td>
<td>Rainforest Alliance</td>
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<tr>
<td>ROK</td>
<td>Republic of Kenya</td>
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<tr>
<td>ROSCAS</td>
<td>Rotating Savings and Credits Association</td>
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<tr>
<td>SACCO</td>
<td>Saving and Credit Co-operative Organization</td>
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<tr>
<td>SAPs</td>
<td>Structural Adjustment Programs</td>
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<td>SCIP</td>
<td>Smallholder Coffee Improvement Project</td>
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<td>STABEX</td>
<td>Stabilization of Export</td>
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<tr>
<td>UNCTAD</td>
<td>United Nations Conference on Trade and Development</td>
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<td>UTZ</td>
<td>Universal Trade Zone</td>
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OPERATIONAL DEFINITION OF TERMS

Cooperative movement – These are autonomous associations of persons united voluntarily to gather for own common public, economic, cultural needs and intentions via cooperation. Generally, co-operatives have open membership to different individuals and are prepared to be on familiar terms with duties that come with being a member without discrimination of any kind.

Cooperative principles – These are guiding codes through which cooperatives endeavor to build up own cooperative organizations. These codes are characterized by flexibility and are applicable with different kinds of cooperatives.

Cooperative union - means a cooperative society whose membership is restricted to primary societies.

Liberalization - refers to the withdrawal of previous government restrictions or official state intervention in the cooperative movement.

Primary society – refers to a society that is restricted to individual persons.

Structural Adjustment Programmes - refers to a set of economic and political policies developed and imposed on the developing countries by the Bretton Woods institutions.

Evolution – refers to the process of gradual changes in nature and character of coffee cooperatives societies over a period of time.

Growth – refers to the development of coffee cooperatives societies in terms of size and their significance.

Coffee Cooperative Societies- refers to an association of small scale coffee farmers who jointly process and market coffee.
ABSTRACT

The coffee cooperative sector by tradition has been organized into cooperatives in order to enhance its effectiveness and facilitate regulation. Cooperatives account for an estimated 65 percent of the coffee sector in Kenya. However in the last two decades beginning 1990, in the era of liberalization the ability of the coffee cooperative societies to deliver economic value to its members has raised a lot of concerns and debate. This is mainly because, coffee production declined by 61% in the cooperative sector between 1988 and 1998. Numerous studies have revealed that the coffee cooperative sector as the most mishandled and unproductive. Whether this is true or not required studies of this notion. It was therefore, pertinent to examine the state of coffee cooperative societies in Kipkelion, Kericho County given that Kipkelion was a colonial settlement and the origin of the first cooperative movement in Kenya. This study focused on evolution and growth of coffee cooperative societies in Kipkelion, Kericho County from the period 1923 – 2012. The study traced the emergence of coffee cooperative societies in Kipkelion, Kericho County during the colonial period to 1963; Secondly, it examined the growth and the transformation of the coffee cooperative societies in period of 1964 – 1980 and lastly, it analyzed the effects of Structural Adjustment Programmes and liberalization in the coffee cooperative societies in Kipkelion, Kericho county in the period between 1991 and 2012. Group theory and collective action theory were used with a view to analyze coffee cooperative emergence, growth and transformation. Historical research design was used in the study in which both qualitative and quantitative approaches were used in data collection and analysis. The study was carried out in Kipkelion, Kericho County and covered the areas of Chepkechei, Muhoroni, Forttanan, Koisagat, and Kapngetuny. Purposive sampling and convenience sampling techniques were applied in the selection of the target population. This enabled the researcher to collect data from different respondents. Primary and secondary sources of data were utilized Data analysis was done by organizing data into concepts, themes and periods. Ethical considerations were adhered to. The findings revealed that coffee cooperatives in Kipkelion have their origin in the colonial era. The African participation in the cooperative sector was little before independence due to settler dominance. The attainment of independence brought about social, economic and political changes in Kenya. Key was the structural changes in smallholder agriculture that included land ownership that consequently transformed the coffee sub-sector. On the other hand, liberalization of the coffee sector in the 1990s exposed coffee factories to competition among themselves and other firms which was resulting from entrance of new firms into the coffee sector. Moreover, factories have been obliged to streamline their operations to cope with competition. Farmers on the other hand have been playing a significant role in decision-making on matters affecting their societies and in the management of their societies and factories through elected representatives. This study is significant to the government, policymakers, researchers and coffee cooperatives especially in regard to understanding origin, growth and historical transformation of coffee cooperatives in Kipkelion and in comprehending the effects of liberalization on the coffee cooperatives. This study is anticipated to lay foundation for future research on the history of coffee cooperatives in Kericho County.
CHAPTER ONE

INTRODUCTION

1.0 Introduction

This chapter covers the background of the study, statement of the problem, the research objectives, research questions and research premises. It also presents justification and significance of the study as well as its limitations. Literature review and the theoretical framework adopted in the study are also discussed in this chapter.

1.1 Background of the Study

The cooperative movement has emerged in almost all regions of the world, with its roots at the beginning of the Industrial Revolution in Europe. The development of the cooperative movement historically was shaped by economic and social forces. From its inception, the co-operative movement was seen as an economic and social instrument for attaining fundamental change. The co-operative entity is essentially focused on enhancing the welfare of a larger community as opposed to advancing social and economic well-being of small number smallholders (Mazzarol, 2009:10).

In the United States, Fairbairn (1937:27) noted that the idea of the cooperative movement was both a creation of the European colonialists having been imported from Europe and as an outcome of North American setting. The cooperative idea therefore emerged independently in the United States and was adapted by settlers of European origin under North American circumstances.

In Europe, the pioneer cooperative movement emerged in response to the needs, stresses, evolution of market-based economy, undermining of community identity and opportunities that emerged from economic and social modernization (Fairbairn
et al, 2004); (Fulton et al, 1990). This was stimulated by a dramatic shift in industrial and agricultural practices. The advent of the Industrial Revolution saw the replacement of cottage industries and home based production by factory system which brought about the integration of families into the market economy. Moreover, as a result of land enclosure and agricultural transformation, there was prevalent poverty, unemployment and general social dissent. All these, coupled with the public outcry, led to the establishment of individual owned organizations. Agricultural and consumer cooperatives emerged based on agricultural needs in rural areas (Zeuli and Cropp, 2004:5).

Unlike in the developed countries, the cooperative movement development and growth in most developing countries has been stirred by the desire to build a viable and sustainable new economy (Cheney Williams, 2016). In most African countries for instance, cooperatives were adopted by new governments as a tool of social-economic development. Cooperatives have been perceived as means of beating cultural and economic sluggishness, and establishing an independent economy (Wanyama, 2008:9).

The modern formal cooperative movement in Africa has its roots in colonialism where the colonial powers throughout their colonies and protectorates set them up as a replica of their domestic cooperative structures (ILO, 2014:2); (Develtere, 1994); (Pollet, 2008). The desire to transform the agricultural sector arose with the advent of colonialism. The European settlers saw the sector as a viable component of turning the agricultural products into the backbone of their new economies (Flaygate, 2007); (Onwuchekwa, 1983). The agricultural cooperatives formed the major component of the modernization process. They formed the basis of marketing
of African products overseas and served to increase African participation in the sector (Wanyama, 2007:6).

After independence and, until the beginning of the Structural Adjustment Programmes herein after SAPS in the 1980s, many African countries discovered the cooperatives as tools to implement the principles of African socialism and as a third way between capitalism and communism. The cooperative movement received enormous state support both financially and technically but they were however given marketing and supply monopolies for agricultural commodities and inputs, this meant that farmers were forced to seek membership (ILO, 2014:2). Inefficiencies of the cooperative movement became clearly evident in mid 1980s that not only led to the disillusionment of the general public but also the development partners. It was at this time that many African countries suffered severe economic and financial crises forcing IMF to initiate SAPs that put them under the watchful eyes of the IMF and the World Bank. This SAPs pinpointed to the corrupt cooperatives as well as their inefficiencies (Schwettmann, 2008:4).

Introduction of SAPs led to neoliberal economic policies which entailed the withdrawal of monopolies, privileges and subsidies. Moreover, the fall of the Berlin wall in 1989 and single party regime in Africa led to the call for democratization and popular participation in public affairs. The combination of these events resulted in a triple crisis; crisis of identity, crisis of management and thirdly crisis of environment. This in turn led to the rapid collapse of most of the state sponsored cooperatives in Africa. Schwettmann (2014:2-3) noted that the significance of cooperatives in terms of number, membership and economic significance had declined drastically towards the end of the last century. However, those that
survived the brutal restructuring emerged rejuvenated, genuine, member owned and economically co-operative ventures that laid the basis for the emergence of a new generation of African co-operatives we witness today (ILO, 2008:4). This outcome was critical and of concern to this study.

In Kenya, like in most African countries, the formal modern cooperative movement was born during the colonial era. However, informal producer organizations existed even before colonialism. During colonialism, the white settlers were involved and dominated the cooperative movement with the sole purpose of marketing their own farm produce and also for acquiring farm inputs at reasonable rates while denying the indigenous Kenyans similar benefits (Dondo, 2012:26). The formation of such farmer’s organizations emerge however, in selected areas of Kenya with the best fertile land such as in the Great Rift Valley regions, highlands and around Nairobi City. They selected mainly fertile regions in Eastern and Central Provinces and other regions that could support the growing of cash crops such as coffee, tea and other crops that provided foreign currency for colonialists and other elite in colonial Kenya. The first of these cooperatives organizations was Lumbwa Farmers Association which was the pioneer of the current Kipkelion District Cooperative Union in the present day Kipkelion sub-county in Kericho County (Kenduiywa, 2009:5); (Kobia, 2011); (Dondo, 2012:27).

When Kenya became independent, the vital role played by the cooperative movement was acknowledged in the Sessional Paper Number 10 of 1965 which established a government department to promote and supervise co-operative societies. Later, the Ministry of Cooperative Development was created and this time, the government emphasized the co-operative movement was opportunity to
strengthen unity and bond Kenyans (Kobia, 2011). In Kenya the state founded cooperatives were largely agricultural which included the Kenya Cooperative Creameries, the Coffee Cooperative Societies, National Cereals and Produce Boards, Kenya Farmers Associations the smallholder Kenya Tea Development Authority and Kenya Meat Commission (Gamba and Komo, 2003:3).

Agricultural cooperatives played a role in processing, marketing and livestock rearing, during post-independent Kenya. Key was also the promotion of economic interest of its members as well as their general well-being. These were done adhering to the cooperative values and principles. They strongly believed that the performance of agricultural cooperatives was critical in economic growth and poverty alleviation in the country (Gamba and Komo, 2003:1). However, some of these cooperatives later collapsed due both to economic mismanagement or political interference. Kenya Farmers Association was dissolved in 1984 largely for political reasons and later replaced with Kenya Grain Growers Cooperative Union on grounds that the large-scale farmers were exploiting the small-scale farmers (Ibid).

In the last twenty years, existing studies such as Kenya National Human Rights Commission (2014); Gitu (2012); Okibo et al (2013); Gamba and Komo (2003:2) and The Point Bulletin issue no.36 (July, 2000) indicate that there has been a decline in the performance of the agricultural cooperatives in Kenya. In some instances their total failure has been witnessed. This has largely been attributed to financial misappropriation, bad governances, illegal payment of committee members, weak Cooperate Act among others issues. This in return has forced members to operate individually as opposed to working in groups (Owuor, 2012); (ILO, 2007).
Furthermore research by the Kenya National Human Rights Commission (July, 2014:67-68) reveals that the coffee cooperative societies are the most neglected and the most mishandled hence have witnessed a drastic decline in the last twenty years. This has been a challenge to most farmers since much of the Kenyan small-scale coffee is produced and marketed through cooperative societies countrywide. It was only in 2009 when different coffee cooperative societies countrywide formed the Kenya Coffee Cooperative Exporters Limited. This is an organization that connects coffee cooperative societies in Kenya to overseas markets (Kenya Coffee Cooperative Exporters Limited, 2014).

The liberalization of the coffee sector in the 1990s also had a negative effect on coffee cooperative societies since a high number of business persons, the political class and other bureaucrats fled with debts estimated at Kes 4 billion. Moreover, the Kenya Planters Cooperative Union was then placed under receivership by the Kenya Commercial Bank in 2009 after its failure to service a loan of an estimated Kshs 644 million where its assets were to be auctioned a year later had it not been for government intervention. Liberalization has also seen the emergence of other coffee milling plants leading to competition with the Kenya Planters Cooperative Union and severe overcapacity at the milling levels which in turn has resulted in milling plants engaging in unscrupulous deals such as setting up officials against each other, thereby weakening these societies further (Institute of Economic Affairs, 2000); (KNHRC, 2014). These outcomes have raised a lot of debate among scholars on the ability of the coffee cooperatives societies to operate efficiently in a liberalized environment. It was on this ground that we sought to find out the state of the coffee cooperative in Kipkelion.
Generally, studies have noted that grass-root cooperative societies have not received adequate documentation from scholars (Wanyama, 2013); Gitu (2012:2). In Kenya, the existing works on cooperatives present a general overview of historical analysis of the cooperative movement. Such works include: Ouma (1988); Kenduiywa (2009). Other studies present a general analysis of agricultural cooperatives such works comprise, Gamba and Komo (2003) and Wanyama (2008) and among others. The coffee cooperative societies hence have been studied loosely alongside other agricultural cooperatives. What exists is fragmented information of coffee cooperatives and scanty literature on their histories, growth and transformation over time. This study sought to fill these gaps by carrying out comprehensive historical account of the coffee cooperatives.

Wanyama (2013) further notes that small number of studies that are available tend to focus on different economic sector of the cooperative movement rather than presenting comprehensive accounts that put in the picture the current condition and operation of cooperatives. Githinji (2014) on her historical study on the history of marketing cooperatives in Nyandarua County acknowledged the role played by marketing cooperatives and emphasized on the need to have more historical studies on marketing cooperatives. In addition, Wanyama (2007) noted that the cooperative movement in Kenya has not been given serious academic interest following liberalization of the sector. Wanyama therefore, emphasized on the necessity to bring up to date the works on the cooperative movement in Kenya in general as well as the necessity to comprehend the impact of liberalization and globalization on the cooperative sector. We also sought to update on the history of the coffee
cooperatives in Kipkelion as well as examine the impact of liberalization on the coffee cooperatives.

Additionally, we observed that in Kipkelion, there are few historical studies on coffee cooperative societies. Kobia (2011); Dondo (2012) acknowledged that the earliest cooperative movements were Lumbwa Farmers Association of 1908 and Kipkelion Creameries which became the pioneers of modern cooperative movement and in Kenya. Their studies, however, do not provide a detailed account and documentation on coffee cooperative societies in Kipkelion. Much of other works on the cooperative movement in Kericho County have largely focused on SACCOS such as Evans (2002), and Agriculture (International Cooperative Alliance, 2012) and few have adopted a historical analysis. It was against this background that this study examined the evolution and growth of coffee cooperative societies in Kipkelion, Kericho County between 1923 and 2012.

1.2 Statement of the Problem

The introduction of SAPs in the 1980s and the liberalization of the coffee sector in the early 1990s was one of the most significant economic changes in Kenya since independence. The shift to a competitive market environment by the coffee cooperatives was anticipated to result in improved coffee market and income for the farmers. In Kipkelion, the advent of liberalization has increased the fluctuation of coffee prices. The assumptions that liberalization of the coffee sector would lead to reduced the cost of production, marketing and processing needed to be confirmed. To address this problem this study undertakes a more comprehensive approach by examining coffee cooperative societies in Kipkelion, Kericho County. Furthermore
more we noted that there are inadequate works and documentation on coffee cooperative societies in Kipkelion, Kericho County hence a gap in knowledge which this study, on the history of Coffee Cooperative societies in Kipkelion Sub-County intended to fill. This study attained its objectives by tracing the origin and the emergence of coffee cooperative societies in Kipkelion, Kericho County. The study captured the origin and evolution of Kapngetuny and Koisagat coffee farmers’ cooperative societies. The major factors that shaped the growth of coffee cooperatives in Kipkelion were also examined which include policy reforms among other issues. The impact of SAPs and liberalization in the coffee sub-sectors were also examined. This study responded to the following research questions and objectives.

1.3 Objectives of the Study

This study set out to achieve the following objectives:

1. To trace the emergence of coffee cooperative societies in Kipkelion during the colonial period from 1923 to 1963
2. To examine factors that shaped the growth of the coffee cooperative societies in Kipkelion between 1964 – 1980
3. To analyze the changes in the coffee cooperative societies following introduction of SAPS and liberalization of coffee subsector between 1981 and 2012

1.4 Research Questions

This study sought to answer the following research questions:
1. What factors informed the emergence of coffee cooperative societies in Kipkelion in the period of colonialism of 1923–1963?

2. To what extent did the policies introduced in the coffee subsector in the period 1964-1980 shape the growth of coffee cooperative societies in Kipkelion?

3. How did the introduction of Structural Adjustment Programmes and liberalization of the coffee cooperative sub-sector between 1981 and 2012 affect the coffee cooperative societies in Kipkelion?

1.5 Research Premises

This study was based on the following research premises:

1. Colonial land policies were instrumental in the emergence and growth of coffee cooperative societies in Kipkelion in the period 1923 to 1963.

2. Community social-economic interests and government policies introduced between 1964 – 1980 supported the growth of coffee cooperative societies in Kipkelion.


1.6 Justification and Significance of the Study

In Kipkelion, there are minimal studies that have been done to analyze the historical evolution and transformation of the coffee cooperative societies since the advent of colonialism. Much of the existing works on the cooperative movement have largely
focused on dairy production, Yegon and Tibbs (2015), liberalization by Wanyama (2007) and a few have taken a historical analysis. This study undertakes localized investigation into the subject. At such levels, it is possible to uncover crucial aspects that may have been left out at the course of general analysis. This study is an endeavor to fill the gap. It provides an in-depth historical analysis of the evolution and growth of coffee cooperative societies in Kipkelion in the period 1923 – 2012.

This study focused on coffee cooperative societies since coffee is a one most significant crop in the region. Coffee was the earliest cash crop to have been organized and sold through cooperatives. It is one of key cash crops, after tea and supports the livelihood of over 40,000 farmers. Moreover, in the last two decades, the coffee cooperative societies in the region have suffered losses unlike other cooperatives such as tea and maize (Standard Digital News, 2013). Kipkelion Sub-County was selected because it was one of the colonial settlements.

The year 1923 was selected as the starting point for the study because it was the year when the earliest coffee company was established in Kipkelion, Kericho County by the colonial settlers. However, we delve into the years before 1923 in order to comprehend the socio-economic organization of the Kipsigis of Kipkelion prior to the emergence of formal cooperatives and in order to deepen the historical background of the study. 2012 was selected to mark the end year of the study because it was in 2012 when coffee cooperatives societies from Kipkelion came together with those from Nandi and Bomet Counties to form the Kipkelion District Coffee Cooperative Union. The formation of the District Union symbolized and marked a new beginning.
The findings of the study are significant to the government, policymakers, researchers and coffee cooperatives especially in understanding the origin, the historical transformation of coffee cooperatives in Kipkelion, Kericho County as well as in evaluating the performance of the different economic policies the Kenyan government has adopted. It is also important in comprehending the effects of SAPS and liberalization on the coffee cooperatives. The finding of this study will also augment the body of works on the cooperative movement in Kenya and Kericho County.

1.7 Scope and Limitations of the Study

The study examined evolution and the growth of coffee cooperative societies in Kipkelion, Kericho County between 1923 and 2012. To have a strong historical background this study did examine the socio-economic organization of the Kipsigis prior to 1908 when the earliest cooperative movement was established in Kipkelion. The earliest cooperative associations that had a bearing on the emergence of coffee cooperative in Kipkelion prior to 1923 were also looked into. This study captures the factors that shaped the growth and development of coffee cooperatives after independence to 1980. The impacts of the SAPs and liberalization on the coffee sub-sector were also analyzed.

Due to financial and time constraints, this study focused on two coffee cooperative societies; Koisagat Farmers’ Cooperative Society and Kapngetuny Farmers’ Cooperative Society. The two coffee cooperative societies were selected because their origin can be traced back to colonialism. They therefore provide a good basis
of analysis in terms time, change, growth and transformation which are important aspect of an historical study and which are the main objectives of this study.

We experienced some limitation while carrying out the research. Given the vast nature of Kericho County, the study confined itself to geographical limits of Kipkelion Sub-County. This study could not extend the scope to include all coffee cooperative societies because of financial constraints.

Furthermore, it was difficult accessing archival sources on the early coffee companies in Kipkelion as well as the existing coffee cooperatives. There is very little documentation on coffee cooperatives in the area.
1.8 LITERATURE REVIEW AND THEORETICAL FRAMEWORK

1.8.0 Introduction

This section examines studies conducted on the cooperative movements worldwide, regionally, nationally and locally. Theories utilized in the study are also presented in this section.

1.8.1 Review of Related Literature

Literature on the origin and evolution of the cooperative movement exists. Whyte and Whyte (1988:5) traced the origin of Mondragon Cooperative and discussed some of the positive aspects of cooperative development that they traced back to the efforts made by Mondragon Cooperative in the Basque regions of Spain. In the Basque cooperative movement had its genesis in the ambitions of Catholic Church Priest in 1943.

By 1959 the small cooperative organizations, which had been started by the local catholic priest with the sole purpose of assisting disadvantaged youth, had acquired its own bank that was believed to be largest business enterprise in Spain in the 1990s. Mondragon had chronicled along and varied experience which, amongst other characteristics, had provided a rich body of ideas which can potentially be adapted and implemented anywhere globally and especially regionally where focus is on employee owned enterprise.

Whyte’s study is significant to this study since it enriches the background and the literature on the positive aspects of cooperative movement and rich history on the origin of the cooperative movements in Spain. Whyte’s study however is based in Spain while our study is based in Kenya in particular Kipkelion sub-County.
Zeuli and Cropp (2004:5-6) interrogated the evolution and the growth of the cooperative movement in the USA and Europe and revealed how the writings and advocacy efforts of personalities championed the rise of the cooperative movement in Western Europe. The most notable were Utopian Socialists such as Robert Owen (1761 - 1858), Charles Fourier (1772 - 1837) in France and William King in England who envisioned ideal societies. They tried to form societies in Europe and United States. Their effort was in response to challenges that emerged from the Industrial and the French Revolutions. They therefore envisioned creating self-reliance society to alleviate poverty and suffering through establishment of small firms, small scale industries, planned cities and communities. These studies are important since they informed the present study on the notable proponents behind the rise of the cooperative movement in the world.

Literature that presents the evolution of the cooperative movement in Africa has also been captured by scholars. ILO (2014:1) study on history of African cooperatives reveals how African societies had traditional system of cooperation mutuality, reprocity and solidarity even before colonialism. This is dominantly in the rural areas and the urban informal economy. These societies are commonly known as Rotating Savings and Credit Associations. They are locally rooted and based on common bond derived from ethnic origins, income levels, and social class among other aspects. They are bound by trust and social cohesion. These societies are however periodical and temporary in nature and emerge when opportunities and needs arise. The African informal cooperative is entrenched in forms of common property, informal financial sharing, shared water and grazing rights among other social aspects. The success of credit unions in Africa can be attributed to their
similarity to the ROSCAS (ILO, 2014:1). This study is valuable to the current study since it provided history of African traditional forms of cooperation, their features and organization before colonialism hence informs the background of the current study.

Gorst (1959:20) studied the spread of the cooperative movement in 28 British colonial territories including Ghana, Zanzibar, Tanzania and other Sub-Saharan regions. His discussed Ghana’s successful effort in cocoa production prior to independence, the marketing of coffee, cotton and other indigenous agricultural products in both West and East Africa. He further extensively discussed the relationship between the cooperative organization, the marketing boards and government role in their effort to finance and control cooperative movement in West Africa. Gorst concluded that although most cooperative organizations were formed as post-war experiments, they turned out to be successful despite the very minimal formal support from the national government during the 1950s. The significance of Gorst’s study is that it examined coffee marketing through cooperatives and government role hence enhances the present study.

Schwettmann and ILO (2014:1-3) interrogated the colonial development of the cooperative movement in Africa within French colonies, British colonies, and the socialist colonies until the introduction of SAPS in the 1980s. Schwettmann study is significant since it enables us to understand African traditional forms of cooperation before colonialism and how they have survived the test of time and have come to form the basis for the formal cooperative movement. Schwettmann and ILO noted that cooperatives in Africa were created in the years of the twentieth century in former British colonies. This was done according to the British-Indian blueprints of
co-operations followed by specific cooperative acts as well as the establishment of an implemented agency that is registrar and or commissions of cooperative acts.

In the French colonies in early 1920s Schwettmann and ILO (2014) noted that they introduced the SIPS/SAPS which were semi-public organizations officially launched to promote rural development meant to collect taxes and dominate rural population. French administration later, in 1955, initiated a special act for “state sponsored” cooperatives and launched cooperative supervisory authorities which however did not undertake cooperative development activities. In British colonies however, the colonial administration undertook systematic efforts to develop cooperatives into powerful business ventures through vertical structures that controlled much of agricultural production, marketing and processing in rural areas, in particular in regard to export crops. This has been described as the ‘unified cooperative model’ in line with the indirect rule approach of the British colonial administration. The management and leadership of primary cooperatives were handed over to local leaders at relatively early stages. This study is significant since it provided the colonial background of the cooperative movement regionally as well as the trends that shaped the origin and the impact on the local communities.

Hyden (1973:3) examined the historical background of African cooperatives. Hyden’s discussion is valuable to the current study since it enables us to comprehend the genesis of African co-operative movement prior to independence and in particular, East Africa. Hyden reveals how co-operatives that emerged during the period (1910 – 1950) were either through direct colonial government initiative or in opposition of non-African middlemen. In addition, Hyden notes how the period (1960 - 1964) was marked by a rapid increase in co-operatives emerging as a
product of political freedom. On the other hand those for the period (1965 – 1970) reflected governments attempt to put into practice the ideals of “African socialism”. Hyden’s study enriched this study as it interrogated the impact of cooperative institutions before and after independence. Hyden’s analysis is important to the present study as it assisted us to understand the actors behind the rise of African cooperatives. There by, enriching the current study objectives.

Braverman (1991) analyzed the development and growth of the cooperative movement in Africa in two periods. The first era witnessed stringent government control over its development through the enactment of legislation, policies and programmes. Cooperatives served as government agencies for executing socio-economic policies. Moreover, the international donor support for cooperatives through the government promoted state control over cooperatives. Donors such as the Nordic cooperative movements, the American and the Canadian Credit Union gave both financial and technical support to African cooperatives through the governments of respective countries thereby attracting the resource influence of the state over the cooperative movement. The second phase however has been an avenue of freeing cooperatives from state to promote their autonomy and letting them function like business ventures reacting to market demands Wanyama (2008). Braverman’s study ideas informed the present study in terms of the growth, development and trends that informed the transformation of African cooperative prior and after independence.

Kenduywa (2009:4) traced Kenya’s cooperative movement history and noted how despite the amended Cooperative Society Ordinance (CSO) being passed in Kenya in 1931, indigenous participation was denied. This ordinance only formalized and
supported the existence of European cooperative organizations, while forbidding indigenous Kenyans not only from their own cooperative unions but also from participating in any cooperative activity except under special conditions. This study is important to the present study since it provides extensive work on colonial and post-colonial development of the cooperative movement in Kenya. Kenduiywa’s study points Kipkelion, Kericho County as one of the places where the earliest cooperative movement was established, however he provided little information on the recent trends in growth and development of coffee cooperative societies in the region which is the gap that this study endeavored to fill.

Karanja (1974) while examining the development of the cooperatives in Kenya discussed how World War I and II influenced the African participation in cooperative movement. Karanja’s study is significant since it enabled us to understand how the ex-military in African shaped the development of cooperative societies in the post war period. It is worth noting that the colonial administration by 1942 had neither formulated nor pursued any progressive policies to improve the welfare of the African people. The ex-service soldier men expectations, employment preoccupation and other rewards in post-war served as a catalyst to colonial administration awareness of the need of African participation in the cooperative societies (Karanja, 1974).

This was fuelled by the idea that the development of such organization would serve to absorb the activities of many ex-military men as members of operating staff as well as active co-operators. Positive attitude towards the development of the formal cooperatives and the African participation in most colonies begun to take shape from the period 1945-52 (Ibid). The post-war period witnessed the institution of welfare
measures for colonies as part of post-war policy on cooperatives. This was executed when the British Labour Government rose to power in 1945. This entailed the passage of Overseas Resources Development Act and the establishment of Colonial Development Corporation (Karanja, 1974).

This study is significant since it informed on us on trends that shaped the origin of cooperative movement in Kenya and the role of African ex-service men agitation for African participation which had previously been denied.

Furthermore, Kobia (2011) while examining the history of the cooperative movement in Kenya: challenges and opportunities, noted that the returning ex-soldiers sought to invest in cooperatives as viable business ventures. In this period, the cooperative movement represented the most organized method to invest their resources. In Kenya, for instance, the economic and political environment between 1950 and 1960 gave birth to Mau Mau war from 1952 and the subsequent declaration of state of emergency had a remarkable effect on cooperative development in Kenya (Kobia, 2011). The agitation for independence saw most of the white members of staff proceed on overseas leave between 1954 and 1955 for fear of being killed by the Mau Mau fighter. In spite of these impediments, the Department of Co-operative Development proceeded with their activities staffing areas that were least affected by the Mau Mau activities. The application of the Swynnerton Plan of 1954 promoted cooperative growth at this period (Bager, 1980). This study is significant since it provided the historical development and the trends that informed the African participation in the cooperative movement in Kenya before independence hence useful to the objectives and literature of our study.
According to Dondo (2012:26), the Harambee Spirit, which means collective cooperation and participation, is a good example of Kenya’s history of collective cooperation. The Harambee spirit was pioneered by the first president of the Republic of Kenya Mzee Jomo Kenyatta after independence majorly to motivate Kenyans to build their own nation according to their own specific needs. Today Harambee spirit is still used as a method to resolve tasks or projects that would not be accomplished single-handedly. Some of these projects include rural school constructions, collecting money to fund colleges, taking care of street children, rural construction of roads, constructing health centers among other projects. Other forms of Harambee collectivism include coming together by ordinary Kenyans to weed, harvest and even spray crops. However, this is mainly done in rural set ups. The Harambee spirit was a powerful tool that stimulated development in the rural areas. After 1970s, the spirit of Harambee was gradually diluted and misused by not only the political elite but also by other powerful Kenyans who either raised or donated money to gain fame and favor throughout the country. Therefore, it became a tool of embezzlement of public funds (Dondo, 2012:26). Dondo’s study is significant to this study since it examined the Harambee philosophy which is a good example of Kenya’s history of collective action and contributes to and informs this study’s literature and objectives.

Wanyama (2007:3-35) investigated the impact of liberalization on the cooperative movement in Kenya. He noted that since the end of state controlled cooperative movement in 1997, very little had been studied and known on the impact of liberalization on development of cooperatives in the country. His study highlighted the present developments, condition, and organizational structure among other
issues. The findings of his study revealed how cooperatives in Kenya have withstood the test of time, market dynamics and their continued expansion in both membership and diversity. Wanyama’s study is significant since it highlighted the status and the trends in cooperative movement in Kenya which are significant to this study objective. Wanyama acknowledged the crucial role the cooperative movement plays at the grass root level.

KNHCR (2012) study on coffee in post-liberalization period in Kenya revealed that in the recent past the coffee value chain has often been monopolized by dodgy brokers since a large percentage of Kenyan coffee is produced and marketed through cooperatives. This study revealed that smallholder farmers face several constraints of producing and marketing their coffee. This study is significant since it highlighted some of the challenges faced by the small-scale coffee cooperative sub-sector.

Githinji (2014:73-74) examined the historical evolution of Karagoni Marketing Cooperative Society in Ndaragwa Sub-County. Githinji’s study is significant since it enables us to understand the nature, characteristics and challenges faced by Karagoni Marketing Cooperative Society (KMCS) between the periods 1965 to 2000. Githinji’s study reveals how the stakeholders of most societies in Nyandarua County were not prepared for competitiveness in a technologically responsive and liberalized environment. Githinji calls for thorough course of action in policy examination, which will fuel cooperative expansion which she argued, had not been the focus for the cooperative leaders in the region.

Githinji concluded by emphasizing on the need to provide consistent market dynamics for the marketing cooperatives among other aspects. Githinji’s study is
significant to the present study since it examines the evolution of marketing cooperative, impact of liberalization on the marketing cooperative society from a historical perspective.

KNHRC (July, 2014:36-40), while assessing the effectiveness of agricultural cooperatives and out-grower societies in the liberalized environment in Kakamega, Kirinyaga, Meru and Kericho established that the agricultural cooperatives and out-grower societies in Kenya are ineffective in the delivery of economic justice. This study emphasizes that the agricultural cooperatives formation is driven by the solidarity among smallholder farmers. This is done in desire for both social and economic benefits, to act as a buffer to market dynamics, to increase bargaining power through cooperation and also protect themselves from exploitation among other aspects. However, most of the cooperative societies such as sugar, tea, rice and coffee are characterized by mismanagement and poor governance structure. The study further revealed how most farmers have lost confidence in the cooperative societies. Coffee cooperative societies are deemed as the most mishandled. In most instances, the farmers for a long time have been the biggest losers whereas the cooperative officials and millers have been the biggest beneficiaries. This study is valuable to our study since it examined in detail the state of agricultural cooperatives in Kenya, including the coffee cooperatives and also the challenges facing the agricultural cooperatives as well as the recommendations to address these challenges.

The literature reviewed indicated that there exist works on the cooperative movement globally, regionally and locally. These works discussed the varied circumstances that led to the emergence of the cooperative movement in different
parts of Europe Africa and Kenya. In Kipkelion several gaps are yet to be filled on the historical analysis of the cooperative movement. Given this gap, our study historically examined evolution and growth of the coffee cooperative societies in Kipkelion, Kericho County in the period between 1923 and 2012.

1.8.2 Theoretical Framework.

There are several theories that have been developed to explain why people cooperate and those that trace the origin of the cooperative movement. They include collective action theory, norm theory, group theory, and capitalism and socialism theory among others. This study utilized group theory and collective action theory to explain the idea of cooperation in the cooperative movement in general and to explain why individuals have continued to form and participate in the cooperative movement. The theory has been used to discuss the emergence, evolution and growth of coffee cooperatives in Kipkelion.

Group theory was developed and advanced by Arthur Bentley, a sociologist, at the commencement of the twentieth century (Richardson, 1993). The theory affirms that where people have a common purpose and will benefit from cooperation, a group will form to cooperate for the common good (Eschenberg, 1971, Olson 1965). In this study we established that the coffee cooperative societies thrive because of cooperation. Cooperation is the cornerstone of the cooperative movement.

Cooperation can be explained as a group of individuals acting together to a common end. This could be small and homogenous group, working voluntarily or through coercion. Voluntary cooperation, however, is believed to be more effective and efficient than coercive cooperation (Gillison, 2004:5). Voluntary cooperation is the
one that this study focuses on. The theory has been used to discuss how the coffee cooperatives have been developed through voluntary cooperation and membership. It is an example of collective action driven by the desire for collective good and collective benefit of its members.

Collective action theory was also advanced by Olson Mancur Junior (1965) whose focus was on how an association could be utilized to obtain common benefit to a smaller or larger group as opposed to an individual (Eschenberg, 1971, Olson 1965). Olson wrote a book in 1960s titled *The Logic of Collective Action* (Olson, 1965). Collective action focuses on common resources, public good and club good. It began with Paul Samuelsson’s formal identification of the public goods problem and since expanded with advent globalization and global problems (Samuelsson, 1947). Olson stated three conditions that compel people to cooperate: First when a group is small enough that free-riding would be notice, second when people are forced to do so and third, when people are induced by selective incentives to do so (Olson, 1965).

In this study we observed that coffee farmers who establish marketing cooperative do so to solve their common problem of selling coffee among other issues. Cooperative enables farmers to acquire farm inputs in bulk at a subsidized rate. It also increases their bargaining power in the coffee market as opposed to working as an individual farmer. For organizations to do such activities individual contribution is always important, while the benefits are not individual but common to all. Olson emphasized on the need for cooperative organization to strive for independence and autonomy while engaging with other organizations and the state authorities. This is mainly because cooperatives are generally dependent on individuals and their environment to protect their collective action and self-identity. They thus have to
avoid being directly drawn into political and social conflict which is a threat to unity, membership, and agreements. Therefore, autonomy and independence are important towards developing, self-reliance, self-respect, social belonging and identity within the cooperative movement (Eschenberg, 1971; Olson, 1965). These ideas have been used to analyze the impact of SAPS and liberalization on the coffee cooperatives in Kipkelion following the liberalization of the coffee sector in the 1990s and the introduction of SAPs in 1980s. Liberalization of coffee cooperatives became a threat to their survival. Coffee production declined and coffee prices continued to fluctuate. This was following the withdrawal of government financial and technical support on the coffee cooperatives.

To understand and explain the factors that informed the emergence of the coffee cooperative societies in Kipkelion, Kericho County, as well explain their evolution and issues that shaped their development overtime, group theory and collective action theory were appropriate. This was because the theories emphasize common goals, common good and interest as a reason why people cooperate and form cooperatives. Adding on Olson’s ideas Offé (1987) established that people cooperate more in all areas when there more educated. Platteau Balland (1996) outlined three conditions from an economic view point that favors collective action. They included existence of infrastructure to settle disputes easily, people mindfulness of their reputation matters and their status and the cost of excluding anyone from the resource must be high. Indeed, this has largely been the driving factor in the creation of the cooperatives. They are created mainly for the purpose of marketing products such as coffee among other crops for the common benefit of the community and the members in the coffee cooperative societies. Olson’s theory was therefore relevant
in explaining the rapid rise of coffee cooperatives at independence and up to the introduction of SAPs in the 1980s. Africans in Kipkelion were forced to join cooperatives and to form land-purchase cooperatives at independence in order to facilitate for Africanization of both land ownership and transfer coffee companies from the white settlers to Africans. The independent GOK incentives and initiatives facilitated for the rise of the coffee cooperatives at this period. The African elite were also instrumental in the rise of coffee cooperatives. Access to appropriate infrastructure and education are significant in the growth of cooperative associations.

Olson (1965) points social and political conflicts as threat to cooperatives autonomy and independences and these was used to explain the negative effects of liberalization on coffee cooperatives following the liberalization of coffee cooperative sector in the 1990s. This is because collective action theory emphasizes autonomy and independence of cooperative societies for them to be successful. Lack of independence and autonomy is a threat to cooperation.

Collective action theory however has been subject to criticism despite its influential role in cooperative theory development. Russel Hardin (1982) in his extension of collective action theory includes various factors of sociality as an explanation of existence of organization for a common good. He points out irrational, altruistic motives among others. People are said to have idealistic conception and moral incentives. An active participation in a task together with other people could be satisfactory in itself. It is a presumption like this which could explain the existence of pure cooperative organization, Hardin therefore emphasized on the need to
recognize, sociality, individuality and collectivity he argued that the element of sociality is practically absent in the modern theory of cooperatives.

A few years ago, Olson’s theory and thoughts on ‘thin’ model rational individual has received all of criticism. His critiques such as (Elster, 1989) argued that the theory fails to consider features which they observed as making us human such include passion, a narrowed ability to evaluate the exact advantages as well as disadvantages of circumstances and limited emotions. Different versions of a thick model have emerged in attempt to flesh out Olson’s rational individual to generate a pragmatic paradigm of human decision-making.

King and Walker (1992) carried out an extensive empirical study of the United States interest group and discovered that incentives were rated very significant as a rationale for joining by twelve percent of those that were studied. They established that people cooperate when: They are mobilizing against a collective bad and not in support of collective good when we will gain ‘solidarity benefits’ or the friendship and company of like-minded people and finally when representing a company or professional interest. This was also useful in explaining and discussing the rise of coffee companies among the white settlers during the colonial era. The colonial settler had to come together to form coffee companies given that at this period, collective action was the only option to ensure maximum coffee production for export.

Schozman (1995) supported the ideas of King and Walker (1992) and further enriched king and Walker’s ideas by stating that the rationale for people participating in collective action vary according to the type of collective action. He
noted that people participate in collective action for selective benefits known to an individual, social gratification which is mainly driven by respect and solidarity benefits and fun especially for collective action in a social context such as political campaigns and for civic gratification that is, when we believe that it is a significant cause of action for instance in a voting scenario.

For Oliver (1984) another critique of Olson suggested that people cooperate when they are convicted that no one else will and for the benefit of the community. These sentiments deviate from Olson’s idea that people will evade contributing to the costs of collective action where possible. This concurs with the ideas of King and Walker who believe that people are prone to mobilize against collective bad than in support of collective good.

In the recent years, another theorist Schlozman (1995) remained neutral on Olson’s idea. He asserted that people are motivated to act collectively by either passions or emotions for the cause suggesting that Olson’s description of rationality was ‘thin’.

Capitalism and socialism are among the theories that have been used to explain and trace the origin of cooperative movement. Owen (1771-1858) was one of the proponents of the cooperative movement. He was considered to be the father of cooperative movement. He championed in the nineteenth century in Europe for the abolition of private property, abolition of private profits, voluntary association, and utilization of wealth to benefit community for the increasing benefit to the poor and common ownership of production. King (1786-1865) on the other hand implemented Robert Owens’ principles which have continued to inspire cooperative movement. Therefore, the cooperative movement emerged in response and in order
to eradicate the evil effects of capitalism. Moreover, the cooperative movement has developed and continues where capitalist economy is prevalent (Kuhn and Venogopalan, 2011).

The Gale group (2010) noted that under capitalism in all its stages including monopoly of capitalism, cooperatives are totally bound up in the capitalist economy which he argues constantly influences their developments. To understand the origin of cooperative movement and cooperation we need to understand capitalism. Capitalism leads to exploitation, class struggle, economic inequality and unfair competition. These evils adversely affect the workers interests and give birth to cooperative movement. The aim of cooperation in this case is to restrict the ill motives of capitalism and provide better services to its members (Kuhn and Venogopalan, 2011). However, capitalism as a theory was not adequate in explaining and addressing the different aspects of this study. We could not adopt capitalism theory because, capitalism is perceived to be exploitative, driven by individualism, profit motive whereas cooperatives are driven by solidarity, collective good, benefit and common good.
1.9 RESEARCH METHODOLOGY

1.9.0 Introduction

This section discusses the approaches and methodology that was used in the study, including the research design, site of the study, target population and sampling techniques. This section also contains information on the research instrument utilized in data collection as well as the target population and sample size in which the researcher adopted in order to generate data. Data analysis procedures are also contained in this section. Data management and ethical consideration that guided the researcher are also presented in this section.

1.9.1 Research Design

This study is qualitative in nature and therefore the researcher utilized historical research design. This involved historical explanation and their related qualitative procedures. It was adopted because it enabled us to unearth the progression of the historical occurrence chronologically. The study also applied quantitative approach in sampling number of participants and in data analysis.

1.9.2 Area of the Study

The study was carried out in Kipkelion sub county, Kericho County. Kericho county is located amid a latitude 0 23’ South and longitude 35° 02’ and 35° 40’ East and sandwiched between the equator (Agricultural Sector Development Support Programme, 2016). The County is bordered by Bomet County to the south, Nandi County to the North West, Uasin Gishu County to the North, Nakuru County to the East and Baringo County to the North East. It is bounded to the West by Kisumu County and to the South West by Nyamira and Homa Bay Counties. The county
covers a total of 2,479 Km² (Agricultural Sector Development Support Programme, 2016).

Kericho houses six sub-counties such as Sigowet/Soin, Bureti, Kericho East, Kipkelion West, Kericho West/Belgut and Kipkelion East. They are then divided into 15 governmental divisions, including Belgut and Kabianga in Belgut Constituency, Bureti, Roret and Cheborge in Bureti Constituency, Ainamoi in Ainamoi Constituency, Sigowet/Soin in Sigowet/Soin Constituency and seven more divisions situated in Kipkelion East and West Constituencies. These are Kunyak, Chilchila, Kimasian and Kipkelion in Kipkelion West and Londiani, Sorget and Chepseon in Kipkelion East. The county also has 85 locations and 209 subs – locations (Agricultural Sector Development Support Programme, 2016).

This County’s population was 758,339 in 2009 as per the national population and housing census (Agricultural Sector Development Support Programme, 2016). At the turn of 2012, the number had risen to estimated 817,402 consisting of 405,671 females and 411,730 males. The number is expected to rise additionally to 926,237 at the turn of 2017. By 2012, Kipkelion had a population as follows, Kipkelion west 96408, Sigowet/Soin 113,312, Kipkelion East 126,272 (Agricultural Sector Development Support Programme, 2016). The site provided an avenue from which a comprehensive data generation was done. Refer to Appendix (iii) it bares the map of Kipkelion.

1.9.3 Target Population

This study targeted both male and female members in Kipkelion, Kericho County aged 18 years and above. It also focused on the committee members who comprised
of field committee members, supervisory committee members and the management committee of the both Kapngetuny Farmers’ Cooperative Society and Koisagat Farmers’ Cooperative Society, staff members, cooperative officials and offices of the Ministry of Co-operative Societies in Kipkelion Sub County. Community leaders were also targeted who comprised of former chiefs and clan elders. Former employees of the colonial settlers were also targeted who included factory supervisors.

1.9.4 Sampling Procedures and Sample Size

This study used purposive and convenience sampling techniques. Purposive sampling was used where the researcher perceived the members and officials to have crucial information that would be valuable to the study. Convenience sampling was used as well in selection members of the two societies who participated in of Focused Group Discussion. Purposive and convenience sampling techniques were applied in the selection of male and female coffee cooperative members from Kapngetuny and Koisagat farmers’ cooperative societies and from KDCU. The techniques were further utilized in choosing respondents for interview, focus group discussions and filling questionnaires. However, a tentative sample from both societies was utilized with the majority of members from Kipkelion District Coffee Co-operative Union which were the main focus of the study.

1.9.5 Sample Size

Out of 100 respondents seventy two persons were interviewed. These comprised of thirty seven persons from key informants interviews and thirty five from oral interviews. The sample size and the number of interviewed respondents were
determined on comprehending that informants were presenting similar outlook on the study objectives. Furthermore, four Focus Group Discussions were carried each consisting of six to seven members which added up to a total of twenty eight respondents. The sample size comprised of both male and female members from the KDCCU, which comprised of the cooperative officials and stakeholders. They were selected purposefully on the basis of the activities they have been involved in the two societies. The criterion for selecting respondents was considered. Factors such as gender, membership, to the societies were considered. Therefore, members from the two societies, some members of management who have worked and who are working in KDCCU, stakeholders of the societies, and the cooperative officials formed the sample size.

1.9.6 Research Instruments

The study being historical and qualitative in character majorly utilized primary and secondary data. Primary data was obtained through interaction in the field with the participants through semi-structured interview schedules, key informant interviews as well as focus group discussions. Key informant interviews were used to generate data from members of management as well as the stakeholders in the KDCCU. This was then complemented with records from the archival and secondary sources.

1.9.7 Data Collection Procedure

The researcher obtained an introductory letter from the Board of Post Graduate School of Kenyatta University and further obtained a research permit from the National Commission for Science and Technology who authorized the researcher to conduct the research. The researcher also drafted a letter to the coffee cooperative
management team in Kipkelion, Kericho County. The researcher through this letter sought permission to conduct the research from the respective cooperative societies. The letter also contained a research permit from Kenyatta University. This was done three week before the defined date of the study to let the respondents to get ready for the study.

During the period of data collection, the researcher sought permission from respective coffee cooperatives and proceeded with data collection after explaining the need for the study. The data collected in line with the items on the collection instruments and using convenience, purposive sampling techniques. This was done following the interview guide. Open-ended questionnaires took a week within the time of delivery and collection.

Four Focused Group Discussions of six members to eight members from the two societies as per social science research requirement were also organized to generate data. The course of action entailed voice capturing and note taking. Focus Group Discussions was guided by the researcher. Oral Interviews were conducted following the interview guides. Library research and archival research was also carried out to generate primary and secondary data. The Kenya National Archives provided an avenue where primary data was sourced. The research assistant was also involved in data collection. Secondary was generated from theses and dissertations, journals, government annual reports, newspapers, internet, books and societies’ Annual Development Plans. These were generated various libraries such Jomo Kenyatta memorial library, Post- Modern Library of Kenyatta University and The University of Nairobi Library.
1.9.8 Data Analysis and Presentation

Data analysis was carried out in the course of the research in the field to avoid loss of crucial information and to identify any errors. Tape-recorded data was transcribed and typed. Secondary data obtained was subjected to critical textual to ascertain their relevance. Primary data was as well interpreted and integrated with the secondary data. Qualitative data obtained was organized into distinct categories, themes and periods following the research objectives. Explanations, discussions and reports in forms of narratives was used to provide first hand quotations where needed on the analyzed data. Finally, conclusion, recommendation and areas of further research were established.

1.9.9 Data Management and Ethical Considerations

Having obtained the research permit and introductory letters from the respective authorities as pointed out earlier, the researcher also sought authorization from local administration in the region where the research was to be conducted which involved consent from the Deputy County Commissioner. In the course of research, the researcher also sought informed verbal consent from different respondents and with the respective coffee cooperative management before any data collection. This was done through brief explanations and through this the necessity and type and purpose of the study, benefits for participating in the study, voluntary participation and freedom to discontinue interview or discussions at any stage was conveyed beforehand. Objectivity and honesty was also adhered to in the presentation of research findings. Finally, all sources of data utilized in the study were acknowledged.
CHAPTER TWO
THE EMERGENCE AND GROWTH OF COFFEE COOPERATIVE SOCIETIES IN KIPKELION, KERICHO COUNTY, 1923 – 1963

2.0 Introduction
In this chapter, we trace the emergence of coffee cooperative societies in Kericho County. We set off by examining the socio-economic organization of the Kipsigis society. This is done focusing on the period immediately before the emergence of cooperatives in 1908 and before the establishment of British Colonial rule in Kericho in 1905. This enabled us to understand chronologically how colonialism transformed the Kipsigis society. In addition, factors that triggered the emergence of the early cooperatives associations in Kenya and Kericho County were examined. This involves analysis of their emergence during colonialism to Kenya’s independence in 1963. This analysis is vital because these early cooperative associations formed the firm foundation upon which Kenya formal cooperative movement emerged. In this chapter we also examined colonial economic policies that served as mechanisms that facilitated for the rise of settler coffee cooperatives, companies and coffee farming.

2.1 The Socio-economic Organization of Kipsigis before the Arrival of the Europeans
Before the European arrival, the Kipsigis came in contact with explorers and traders. This was before 1900 (Ochieng, 1975:116). They also came in contact with the Ugandan British administration. Later on, they met with strangers who crossed the Kipsigis land on their route to Mumias and Uganda (Ochieng, 1975:116).
The Arab traders and the Swahili caravan also came in contact with the Kipsigis and Kericho district at some stage in the epoch of slavery (Mistry, 1960). They soon after became regular guests of the Kipsigis nation largely towards the end of the nineteenth century (Ochieng, 1975:115). The Kipsigis were hunters and gatherers; they hunted elephants and had large stocks of ivory. Langat Korir says that they, traded ivory for cattle with the Dorobo who in turn sold them to the Arab-Swahili traders (Ochieng, 1975:116). The Kipsigis later did away with Dorobo as intermediaries and made direct trading with the Arab and Swahili traders. The Dorobo traders had an ivory depot at Motigo in Sotik Division. This description resonates with Kosgey, (1981:27) who stated at this period, there was also evidence of trade among the Kipsigis themselves and their neighbors. It is believed that the Kipsigis came in contact with not only the Swahili -Arab traders but also their intermediaries who crossed their land on their route to the shores of Lake Victoria (Kosgey, 1981:28).

Furthermore, the Kipsigis engaged in a sedentary lifestyle. The Kalenjin developed a political and social and economic system that enabled them to stay harmoniously with their neighbors. They had organized forms semi-subsistence economy, education, government, and religion (Chesaina, 1991:7). They practiced monotheism that involved the worship of one god. Their god was referred to Asis, the god of the sun. This god had many names such as Chebo Nomun Ni, Chepkoyo, Cheptalel Tororot among other names. Lightning (ilat) was another deity that was recognized as the source of punishment and rains. Bad lightening referred to as (ilat ne-ya), was associated with punishment whereas the good lightening (ilat ne-mie) was associated with rain. Prayers were accompanied by sacrifices that were done by (Tisiik) (them
that sanctity) at divine place of offering called Kapkoro which was mainly at the top of the hill chosen by elders. Sacrifices were offered in times of plenty and scarcity and misfortunes (Chesaina, 1991); (Chelelgo and Chelimo, 2016:7).

The Kipsigis were also engaged in both tilling of the land and cattle keeping by the nineteenth century (Kosgey, 1981:16). Milk and meat formed part of the Kipsigis subsistence system. She notes that cattle keeping were a male affair; it encompassed herding with the assistance from boys, protecting animals from raiders as well as taking animals for pastures and salt licks. Young males would occasionally engage in raids in order to increase their stock (Kosgey, 1981:17).

Kosgey (1981:17) statement concurs with (Mwanzi, 1974:38); (Chelelgo and Chelimo, 2016:7), who also note that indeed cattle’s keeping was dominant and rose consistently towards the end of the nineteenth century among the Kipsigis. Cattle keeping among the Kipsigis are believed to have been adopted from the Maasai and Gusii community whom they had displaced in Kericho during the course of their migration and settlement (Ochieng, 1975). Ochieng strongly emphasizes that the Kipsigis were originally hunters and gatherers. The Ogiek maintained their acts of hunting and gathering right into the twentieth century (Chelelgo and Chelimo, 2016:7); (Kosgey, 1981:17).

Other African communities had a well-developed commodity production system by the nineteenth century. For the Kipsigis, the level of production at this period was undifferentiated since whatever they generated in different households was diverse (Kosgey, 1981:26). Kosgey further says millet was one of the major crops grown by the Kipsigis; it was planted and harvested by women. This sentiment resonates with
an archival source (KNA/DC/KER/1/3) that emphasizes that indeed the Kipsigis was the first community to grow millet. The origin of millet is from grain collected by a youth from elephant dung (KNA/DC/KER/1/3). The seed was later cultivated when it was found edible and it soon spread to other community such the Maasai. It is the growth of wimbi among the Kipsigis that gave rise to basket making that was then used to carry the Wimbi (KNA/DC/KER/1/3).

Labour was mainly generated from the entire geographical community (Kokwet) as well as from the household. The household labour was utilized in the farms as well as in cattle keeping. In the event where labour from the household was insufficient, the community got help from the neighboring community (Kosgey, 1981:27); this help in most occasions was accompanied by food and drinks. These favors were based on the good understanding of each other as neighbors. Community labour was largely generated when more labour was needed than the household could not afford. Labour that was organized at the immediate neighbor (Kokwet) level or at larger geographical setting (Bororiet) was largely utilized in occasions where there was need for reinforcement to protect animals from raiding neighbors or to increase cattle by raiding. In addition, where specialized labour was required such as that of smiths and thatcher’s, their payment was in form of grain, beer and animals (Kosgey, 1981:27).

Therefore, it can be stated that conventional structures of teamwork existed among the Kipsigis prior to colonialism. This therefore formed the basis for the emergence of the formal cooperatives during the epoch of colonialism.
Minimal exchange prior to colonization period within the Kipsigis community was attributed to the items of trade they generated. Proof of barter trade among them at this period was also noted. Substitute of farm produce with livestock for farm items and implements was frequent particularly at the times of scarcity given that majority of the family units had sufficient food (Kosgey, 1981:27).

Kosgey (1981:28) sentiments resonates with Dalton (1962:497) who points out that, it is not easy to determine the degree of trade that existed between the Kipsigis and her neighbors who are mainly the Nandi, Luo, Gusii and the Luo. Moreover, it is not clear how much of the long distance trade from the coast affected them. Information generated from their neighbors points out that the Kipsigis obtained iron implements from their neighbors who were mainly the Nandi and the Kipsigis in exchange for grains, goats, honey and sheep. This was done largely because their own smiths were inferior to those of neighbors (Dalton, 1962:497).

Kosgey (1981:16-17) further avers that, the degree to which the Kipsigis engaged in the long distance trade is not clear however, she notes that before the arrival of the Indians in 1900-1907, the Kipsigis had bits and pieces of beads and copper which formed part of the things that the Arab-Swahili traders traded in the hinterlands. They were also involved in tribute collection from the coastal traders. The Kipsigis also traded in other items such as ivory for items such as clothes beads and iron wires. This trade was carried along Kipsonoi River (Kosgey, 1981:17); (Dalton, 1962:497).

The Kipsigis socio-economic system during the pre-colonial period was closely held together by Kipsigis political system that was largely stateless, they had no
centralized authority. Their society was cooperatively led by elders. Emerging issues and clashes were resolved by elders of the Kokwet. The institution of Orkoiyot was set up later in the early nineteenth century. This institution is believed to have been created by the agricultural Maasai and from Kipsigie through the Nandi. Kosgey however is keen to emphasize that this is doubtful given that by this time around 1905, the British were trying to impose colonialism (Kosgey, 1981:29); (Magut, 1969). In a nutshell, the Kipsigis pre-colonial society was aimed at self-sufficiency.

2.2 The Establishment of British Colonial Rule in Kenya

The epoch of New Imperialism (1884 – 1914) marked the era for the scramble and the partition of Africa among European powers. This period was characterized by invasion, occupation, division and colonization of the African continent. The Berlin conference of November 1884 to February 1885 convened in Berlin, Germany, by Otto Von Bismarck authorized and accelerated European interests in the African continent. The aftermath of the conference was the partitioning of the continent. East Africa was partitioned between Germany and Britain largely for economic, strategic and political reasons among other interests (Brantlinger, 1985).

Prior to the formal colonization of 1895, the people of what became East Africa Protectorate and afterward Kenya, interacted with other countries worldwide majorly via trade in ivory and slaves. Kenya was declared a British Protectorate in 1895 (Diley, 1966:15). Kenya became East Africa Protectorate in July, 1895 under the Foreign Office. It was a British colony from June 1920 to 1963 (Wangari, 2014:16); (Diley, 1966:15). Following the onset of colonialism, complete subordination of internal production was witnessed (Kosgey, 1981:4). This was
evident through, unwavering political and economic power (Kosgey, 1981:5). In Kenya colonialism meant, export production by the citizen, white settlement and large scale agriculture (Kosgey, 1981:6).

2.2.1 The Establishment of British Colonial Rule in the Kipsigis Country

Around 1886, the Kipsigis came across the first European passing through their country (Ochieng, 1975:115). His name was Dr. Fisher, he was a German naturalist. He was later followed by Fredrick Jackson who upon meeting the Kipsigis on his first encounter thought they were a friendly people. Later, the Kipsigis stole one of his iron chains from one of his caravans. This sparked a revenge from which he confiscated 150 cattle, 1,500 sheep and goats. The Kipsigis were prompted to get back their stock and three of them were arrested and four killed (Ochieng, 1975:116).

As a result, the Kipsigis were forced to make an agreement. Jackson tried and entered an agreement with one of the Kipsigis leading warriors Menya Kisiara (Ochieng, 1975:115). He signed an agreement with Jackson. The Kipsigis community was not pleased by this action and chose to remain aloof recalling their earlier encounter (Ochieng, 1975:116).

Later on in 1891 a third British came, named as Captain Eric Smith of the IBEAC. The Kipsigis this time did not interfere with his affairs and later in the twentieth century, more Europeans penetrated the Kipsigis Country (Ochieng, 1975:116). The Europeans first came in contact with Kipsigis in 1899. This was during the initial opening of a road in Sotik. The road was intended to connect Sotik to Uganda. It was also during the same time that the Kipsigis were forced into coerced labour in
which they resisted violently claiming it as undignified. This resulted in a punitive expedition against them in 1905 which eventually subdued them. Other punitive measures were also launched against them which included confiscation of 2,000 heads of cattle, which summed up to 16,000 rupees. Collective punishment was also applied in other parts of the district in areas such as Sotik, Bureti and Belgut (Mistry, 1960:49). The period of the world war one marked the fight against the imposition of British colonial rule in Kenya (Ochieng, 1975:116).

In Kericho County, the imposition of British colonialism was indeed preceded by war of resistance (Chepchilat, O.I., 22/7/2017). This is what (Matson, 1972) refers to as ‘pacification period’, a period that saw the local people resist the British occupation of their land. There was a protracted war between the British forces and the Nandi as well as the Kipsigis that lasted for seven years. The Kipsigis were opposed to the railway passing through the Nyando valley on its way to Uganda (Mistry, 1960:31) and for the Nandi through their land. The Nandi resistance of 1895-1905 is regarded as a prerequisite to Europeans settlement in western Kenya (Matson, 1972). His sentiments agree with those of Chepchilat, one of the Kipsigis elders who stated:

The Kipsigis resisted European intended occupation and presence in the area because their presence was perceived to be a sign of bad omen and therefore they armed themselves to resist it by all means (Chepchilat, O. I., 20/7/2017).

A series of agreements among the Nandi, the Kipsigis and the British were made as well as treaties signed. This was done to end the war and prevent future wars. Among these treaties were; the Treaty of Kipture which demanded that the Nandi move to native reserves in Kamalilo and Kapchepkendi. The Nandi however did not heed to the demands and as a result they were forcefully moved and settled in the
reserves (Matson, 1972); (Chepchilat, O.I., 22/7/2017). In Chepkechei regions of Kipkelion area, the Kipsigis were pushed to infertile areas of Sotik (Chepchilat, O.I., 2016). This concurs with the sentiments of (Zwanenberg, 1975) who states that the Kipsigis people, were forced out of the district to other regions such as Hassid lands and to the Nandi regions.

Kericho became a military post in 1902 and the district headquarters of the British among the Kipsigis. It was established as a district in 1900. This was done in order to curb any association of the Nandi and the Kipsigis community warriors. Kericho became a district headquarters due to its strategic location and later an administrative centre (Mistry, 1960). Furthermore, the fertile areas of Belgut and Bureti were cut off from the forest zones and this meant they were cut off from the their basic items of production such as creepers from which they made baskets, timber intended for building and salt-licks for their livestock (Ibid).

In Muhoroni area, the Chematum salt-lick brought great resentment against the settlers and government activities in the area. The government admitted this mistake as noted in the Carter Land Commission (Ibid). Land alienation in the area resulted in Kipsigis squatting in settler farms which resulted in resentment against the white settlers. This later precipitated in the (Kimulot Muddles) of 1954 that was characterized by the Kipsigis protests against land alienation (KNA/DC/KER/1/3). This protest against land alienation persisted throughout colonialism and later on in 1950s they formed the major part of the fight for independence (Zwanenberg, 1975).

In 1920 the District Commissioner then, Dobbs, is quoted alluding to the effects of land alienation among the Kipsigis as follows:
The Lumbwa have far more land per head of the population the other tribe in the country and far more than they can make use of for generations. On the other hand practically, all the grazing land has been taken away in Sotik and Bureti sections and given to farmers... as this are, they have become serfs to the Europeans... (KNA/DC/KER/1/35)

In Kericho County, just like in other parts of Kenya, the aftermath of the establishment of the British rule in 1902 was to facilitate for European settlement (Mistry, 1960). These lands then became the origin of large production of tea, coffee and other crops. Indeed this concurs with the sentiments of Ngigi (2005:4), who notes that colonialism led to the introduction of number economically significant animals, diverse and enhanced farming methods as well a marketing institutions. These marketing institutions not only shaped the subsequent agricultural development but also revolutionized agriculture in Kenya (Ngigi, 2005:4).

In a summary it is reasonable to state that, the advent of capitalism and colonialism saw the breakdown of the Kipsigis traditional political institutions, social and economic structures. This was done in order to incorporate the capitalist interests. The Kipsigis were hence coerced to conform to the directives of the new government. These traditional structures were no longer effective but they were not officially done away with (Kosgey, 1981:24-25).

The introduction of large scale production by the settlers is what eventually transformed the Kipsigis pre-colonial economy. This production subsequently precipitated in the rise of the joint associations as marketing channels in colonial and in post-independent Kenya. Colonialism was further facilitated by colonial economic policies on land and labour and cooperatives. They were created to promote colonial agriculture. These policies were enacted in order to safeguard the already alienated land as well as to promote agricultural production. They also laid
foundation for the take-off of settler farming (Chirchir, K.I.I., 24/6/2017). The next section therefore focused on the colonial economic policies.

2.3 Colonial Economic Policies

In Kenya, the pioneer years of colonialism were vital to ensuring that European farmers, the colonial government as well as their allies in commercial circles in London had power over both the productive resources and the economic structures. Coffee was one of the significant crops that had been reserved exclusively for European production (Brett, 1973). The European settlers grew the crop in selected parts of the Kenya highlands upon realizing its potential. During these early years, Africans were excluded from growing the crop (Brett, 1973). A law had been enacted that barred Africans from engaging in coffee production. The 1910 Coffee Plantations and Coffee Dealers Ordinance empowered District Commissioners to issue certificates which permitted holders to grow coffee (https://learning.uobi.ac.ke/.../331-t-the-p...) (exe-E-learning portal). This law prevented Africans from growing coffee. Issuances of certificates to African began later in 1950 (https://learning.uobi.ac.ke/.../331-t-the-p...) (exe-E-learning portal): (Brett, 1973).

Furthermore, this ordinance was reinforced by other excuses one of these was African coffee would be prone to diseases which would spread to European farms (Musalia, 2010:91). The first African coffee grower did not produce quality coffee. This outcome enhanced the sanctioning of Africans from coffee growing (Thurston, 1987). The significant position of the white farmers in the Legislative Council also served as mechanism to promote their economic interest, the colonial government
did not give attention to African agriculture (Musalia, 2010:95). Musalia, (2010:95) further observed that the settler production, in the early twentieth century did not have specific policies on African agriculture, the colonial state was more inclined to settler production. The Department of Agriculture for instance, financed the settler coffee growing while excluding Africans. These arguments explain the reasons for the delay in coffee farming among Africans in Kericho County and other parts of Kenya.

Kenya’s coffee industry at its early years was shaped by colonial economic policies within and without Kenya (Barnes, 1959:3). In Kenya, the European settlers were in charge agricultural production for export market. This was enabled by favorable policies on land, tax and labour that had been enacted at the set off of colonial rule. Policies were enacted in order to make the protectorate self-sustaining (Sorrenson, 1968:30). The prosperity of the protectorate depended largely on agricultural commodities given, that there were few mineral deposits known to exist at this time (Barnes, 1959:3); (Ouma, 1988).

Mr. Charles Eliot, Second Commissioner of the East Africa Protectorate during the initial years influenced the agricultural export production. His report on the local inhabitants pointed them as unreliable in production of crops for export. For instance he described the Maasai society “utterly non-productive” and the Kikuyu as “as badly disorganized” among other descriptions (Wolf, 1974:47). The description of the Kipsigis by the settlers portrait them as lazy people whose major activity was roaming in market places (Ngok, O. I., 23/7/2017). He further emphasized that, there were vast lands favorable for European agriculture. Therefore, the settlers could engage in crop production whose transportation via the Kenya-Uganda railway
would be possible. The transportation of raw material to the coast was also guaranteed as well as the importation of manufactured goods from overseas to the interior (Wolf, 1974:47). These sentiments served to reinstate the settler economic interest in the colony.

Kenya-Uganda railway was constructed to link the Coast and Lake Victoria. The railway reached the terminus of Kisumu in 1901. The railway led to the expansion of the foreign office’s administration to the interior (Brett, 1970:2). It also formed a vital basis for agricultural development for the country (Dilley: 66:15); (Bates, 1989).

The means to generate revenue, as well as the agents and method of development became a challenge at beginning colonialism (Kosgey, 1981). A range of proposals for settlement were put forward. These advancements ranged from the options of Indians immigrants who had settled along the railway line, the European settlement, the Jewish colonization scheme as well as the African producers (Ghai and McAuslan, 1970). The British industrialist opted for European settlers in 1901 as agents of development in place of the Jews and Asians and after a thorough discussion (Dilley, 1966:15); (Bennett, 1963:12). The settler estate as a means of production was selected after consideration of specific combination of political, economic, geographical and political factors (Kosgey, 1981). The promotion of white settlement was accompanied by specific legal policies and repercussions. The colonial government was charged with the responsibility giving land to the settlers on attractive packages. This entailed the provision of labour for land cultivation, regulation of African scheduled areas of settlements among other issues (Ghai and McAuslan, 1970).
Among some of the legislations that the colonial government supported the settlers indirectly are as follows. First it is important to note that these legislations provided an avenue for settlers to maximize agricultural production and as result establish cooperative associations. The 1902 Crown Lands Ordinance permitted white settlers to own land on freehold or 999, or 99 years. Second was, the 1908 Land Title Act. This law allowed the separation between privately owned lands and the Crown Land. All community lands became Crown Land and the white highlands which were European settled lands were privately owned (learning.uond.ac.ke); (Zwanenberg, 1975); (Dilley, 1966:252). It is believed that by 1963, 18 percent of Kenyans best land had been alienated for use by between 1,000 to 35,000 Europeans (Zwanenberg, 1975). Africans entitlement to land was given little attention by the colonial masters (Barnes, 1956:11). They were stripped privileges to their own land. As a result, no significant move was initiated to provide land to be used by the natives till later in 1915 when the Crown Land Ordinance enabled the governor to declare reserves (Barnes, 1956:12). Little efforts were made to ensure the proclamation until in 1926. This was done to facilitate for European land utility (Barnes, 1956:12); (Zeleza, 1973).

The settler agriculture was as well favored by the tax system. Taxation levied on exports was reduced to enable the settler farmers’ exports more profitable (Zwanenberg et al, 1975). The government offered several agricultural services to white settlers while excluding Africans (Zwanenberg et al, 1975). Services offered included, transport, communication networks and training among others. It is important to note that Africans contributed to these services through taxation (Zwanenberg et al, 1975:20-40).
Moreover, during the initial years of white settlement, the colonial government encouraged and supported both official and unofficial research on commodities that were likely to yield abundant returns on capital invested in the protectorate (Masefield, 1962); (Wolff, 1974:68-73). This was also applied on the coffee crop. Furthermore, the colonial government granted loans to certain crop producers as well as subsidized rates on railway transport and on loans on particular producers (Barnes, 1956:11).

On the side of Africans, a sharp contrast was evident in terms of policy framework. Up to the early 1920s the colonial policy towards Africans was overlooked. This is what Wrigley, Kenya referred to as “a conscious neglect”. This arose from belief that the enhancement of the Africans areas was likely to interfere with the flow of labourers and consequently increase the wages (Wrigley, 1959:226). European purported that the development of African agriculture was likely to interfere with European production. Indeed in the period 1912-1913 the native produce was estimated to have been seventy percent of the value of agricultural export and by 1928 this proportion had dropped drastically to less than twenty percent (Wrigley, 1959:226). Despite this isolation, projects arose in African areas whose efforts relied on individual initiatives or that of mission societies. Occasional advisory visits were offered by the agricultural departments which were largely driven by official requests from agricultural officials (Moris, unpublished manuscript: 20).

Notable policy shift toward Africans began during the post-war recession period. This resulted from the financial crisis that emerged from drop in revenue, exports trade. Some folks argued for the need to stimulate African production with the hope
of easing balance of payment by increasing the exports and reducing commodities imported at the same time boosting revenue (Brett, 1925:115-138).

Furthermore, the annual report for the Department of Agriculture for the period 1920-1921 revealed the plans to promote African agriculture. This involved the training of African instructors who would in return aid in improvement of farming activities in the African reserves. Native production of crops for export such as millet, maize, groundnuts, cotton, simsim peas and peas were enhanced for native export (Department of Agriculture, Annual Report (1920-1921). A policy of stimulating native industries production was presented in 1923 by the District Commissioner for Kericho. The natives were to be issued freely with seeds of suitable crops which would add to mitigation for the collection of a tax. The natives of Lumbwa were expected to get little from this. However no agricultural officer was sent to the district (KNA.DC/KER/1/3).

Other efforts originated from the British business population such as the British East African Corporation major known as Sir E. H. M. Legget who argued for the shift in the economy of the colony noting that the future of most countries depended largely on the promotion of native production as opposed to white production (Brett, 1925:178).

Other initiatives were driven by W. Ormsby-Gore of the East African Commission who focused on strategies to stimulate native economic advancement (Ibid: 46-47). This began in 1925 with a target of improving social conditions. The commission emphasized on the need to promote both European interest as well as those of the natives hence supporting the dual policy of development. This involved the
combination of both native production and non-native production (Ibid). By 1929 the Department of Agriculture had been obliged to have a clearly defined policy in African areas and official policy changes were articulated (Moris, unpublished work).

Protection of the settlers was not only at the production levels but also at the market levels (Ibid). For instance within the cooperative movement, the first cooperative ordinance was passed in 1931. This ordinance however did not allow Africans to form cooperatives. It was later in 1945, when a fresh ordinance was formulated and passed that permitted Africans to form cooperatives (Bager, 1980:21). This restrictive policy was largely because of concerns among the Europeans that African cooperatives could reinforce the economic position of Africans, which in turn would result to complexity for Europeans in getting adequate number of workers for their farms. Moreover, economic position of this kind would be a political forum for the Africans in their agitation against racist colonial system. It was in mid 1950s that the development of African cooperatives took a steady pace. This was as result of the government initiative (Bager, 1980:21). The Swynnerton Plan of 1954 which mobilized for an increase in commodity production on African small-scale farmers further intensified pyrethrum and coffee cultivation. New marketing avenues hence had to be established and therefore the marketing cooperatives were used as a means to bridge the gap. The political environment at this period served to intensify the rise and rapid growth of African marketing cooperatives (Bager, 1980:21).

Furthermore, the change of policy towards African cooperatives by the colonial government and the mobilization of the African small-scale peasants were in light of the increased political tensions. Therefore it was a colonial government initiative
aimed at creating a political buffer. For Africans, cooperatives at this period served as a means to avoid non-African businessmen. These then explain the rapid increase in the number of the African cooperatives in 1963 and after independence.

In a summary, it is evident that the European settlers via the favorable policy framework gained power over the economy until the official policy shift in 1920s. European access and security over land is believed to have promoted the increase of coffee acreage. Labour and tax policies on the other hand availed the avenues for cheap workforce supply on settler farms. Colonial farmers’ agitation to bar the progression of native settlements was driven by the desire to maintain the upper stake in the economy. However, with decline in Kenya’s economic position following the World War One, policy shift towards African development arose however the settlers still maintained their position, controlling the base of African economic progress (Barnes, 1956:19); (Gikenye, 2010).

2.4 Emergence of Coffee Farming in Kericho to 1963

2.4.1 The Settler Coffee Industry to 1957

Coffee farming in Kenya began in the late 1890s (Dawson, 1912:39). The early planting emerged from experiments that were done at mission stations. These experiments were on the varieties of Arabica coffee. It was in 1893 when the first planting was done at French Mission at Bura, Taita Hills (Dawson, 1912:39). It was from here that seedlings were transferred in early 1900 to St. Austin Mission in Nairobi. Further planting was carried out in St. Augustine’s Catholic Mission in Kikuyu in 1901 and in the Church of Scotland mission at Kibwezi. This planting was done under irrigation (Dawson, 1912:39). During this early period the settlers received the seedlings from the missions (Barnes, 1956:20).
Coffee was an important cash crop in the early 1890s; the prices of coffee at the world market were very high. However, at the turn of the century there was over-supply in its production which subsequently resulted in the drop of prices. This problem arose from the regulation that had been put place in 1897 by the Foreign Office regulation on Certificates of Occupation of land for European settlers (Hills, 1956:9). According to this regulation, European settlers were expected to plant not less than a quarter of the land in cocoa, coffee, indigo and rubber among other plants that had been endorsed by the commissioner. Such regulation indicates the value that was attached to cash crop by the London market at these pioneer years (Hills, 1956: 9).

The world coffee prices rose by 1910, and it was during this period that the Kenyan settler planter began venturing into coffee farming. By 1911/12 coffee was one of the key crops and the coffee industry was gaining value and interest of potential investors. The colonial government also took keen interest in the coffee industry (Barnes, 1956:22).

Following the establishment of the British colonial rule in Kericho District in 1902, the colonial government set up administrative centers. Kericho Township became the administrative centre of the District, having been gazetted as township in 1906 (1st March, 1906 and1st January, 1910). Its boundaries were gazetted on January, 15th, 1910. Kericho District at this time comprised of Bomet, Belgut, Buret, Sotik and Lumbwa (KNA.DC/KER/3/3/5).

The exact year when coffee was introduced in the district is not clear. According to oral information generated from one of the cooperative official, it was established
that coffee was introduced at different parts of the districts at different periods. In some areas, coffee growing was done on experimental basis whereas in some it was done on large scale. Introduction began from as early as 1900 up to the period at the end of First World War (Kirui O. I., 1/8/2017).

Indeed, this agrees with an archival source which reveals that coffee farming in Kericho District at its initial years was done on experimental basis. Agricultural experiment on different agricultural crops in Kericho District was done in the prison farm (KNA/DC/KER/3/9). This was an eleven acre piece of land divided into portions. Experiments on crops such as wheat, carrots, maize, and peas were carried out here. This was in the period between 1910 and 1916. Coffee was among the crops that had been planted in the prison farm. By May, 1916, there were 21 month old coffee stumps that were growing in half an acre piece of land between the police lines and the clerks houses and a quarter an acre of ten (KNA/DC/KER/3/9).

In Kipkelion area, oral interviews attributes coffee introduction to both colonialism and missionary activities in the area. It is believed that prior to European settlement in the area, Christian missionaries of the Roman Catholic fraternity had toured the region in the period as early as 1900s (Kirui, O. I., 1/8/2017). Missionary activities in Kipkelion are believed to have influenced coffee farming. The Christian Missionaries of the Roman Catholic Church who had toured the area during their evangelism missions experimented with coffee farming in areas such as Kokwet, Forternan and in Chepkechei in Kericho County (Too, K.I.I.,16/7/2017). During this time there was little success; success in coffee farming became evident following European settlements in the fertile lands in the region after World War One. Therefore colonialism, through settlers accelerated coffee farming in the Kipkelion
(Kirui, K.I.I., 16/07/2017). This is indeed true given that by this time (Barnes, 1956:12), notes that most of the coffee seedlings in Kenya were obtained from the mission stations. Moreover, a lot of experiments were being done here. Indeed, Mistry (1960), observed that that the white settlers regarded Kericho as the Sussex of Kenya. Mistry stated that the white settlers were marveled by the vast unexploited fertile lands. These lands became available after the World War One and the scheme to settle the British army officers also ended at this period (Mistry, 1960).

The end of the World War One resulted in European settlement. This was accomplished through the alienation of African land and the settlement of the ex-World War One veteran by the colonial government. The settled Europeans then began establishing coffee plantations (Too, K.I.I., 12/6/2017). Mistry (1960), noted that colonial settler farming began to take off consistently in Kericho after the World War 1.

During the early years of coffee farming, African labour was used to clear the vegetation for the establishment large scale plantations. At this time, the settlers were in charge of their own coffee growing and management (Too, K.I.I., 3/8/2017). These views concur with Anderson, (2005) and Zeleza, (1989:50) who indicate that African labour was needed to lay foundation for the colonial economy. Their labour played a vital role in the establishment of settler farms.

In addition, the settlers received indirect support from the colonial government that created a conducive condition for the takeoff of their coffee growing. For instance, Africans had been banned from growing coffee in the region and the fertile lands with agricultural potentials were alienated, their indigenous livestock were also
confiscated and their women, children and the elderly were pushed to reserves. The able bodied men on the other hand were enticed with rewards such as food for work done which kept them coming to work in the European farms (Kirui, O.I., 25/6/2017).

Between 1912 and 1914 there were large plantations not only in Kiambu areas and but also Kikuyu. In Lumbwa, Muhoroni and Kericho District young plantations were also coming up well than predicted. It had been estimated that by the March 1914, 5,000 to 55,000 acres of land would be under coffee. Moreover, vast areas of fertile land were equally viable for coffee cultivation. At this time the development of the industry depended solely on labour supply (Hills, 1956:34).

M. D. Le Poer Trench, coffee inspector from Jamaica, arrived in the country on January 14th, 1915 and began to work on the same month (Hills, 1956:34). During the 1915 Mr. Trench made a visit to ten plantations in both Sotik and Kericho District. In his annual report for the year ended 31st March 1915, Trench noted there was good progress in the plantations. He wrote:

> The coffee has made better progress than I expected but owing to the altitude and climatic conditions, I still hold that Kericho District is not nearly good for coffee growing as are other coffee district which I have visited (Hills, 1956:34).

By 1916, notable steps had been taken in the coffee industry countrywide. The formation of Coffee Planters Union was a significant step. An estimated 22,000 acres of coffee was under plantation. A small proportion of this coffee had reached their producing stage. In Kericho District, significant steps had also been made. There were coffee plantations in Kericho and Sotik areas and Trench during this period had toured these areas and indicated good progress in the plantations. However the
growth of coffee was very slow and cases of hailstorms had been noted and this was setback and therefore shading was undertaken to mitigate the effects of hailstorms (Hill, 1956:45).

In other parts of the districts such as Fortternenan, in February, 1916 there were reports that three plantations had been neglected. The owners as result were instructed to put them in order. In Koru, there was an outbreak of *Hemilea Vastatrix* in two plantations. This was attributed to bad conditions of the coffee crop farming in a few areas. A department was then instructed to prune and spray coffee. In general the coffee was doing well (Hills, 1956:45).

In 1917 there was an outbreak of thrip a coffee disease that caused considerable damage in plantations. Valuable services were offered by Coffee Planters Union in spite of the inadequate funds. It was also during the same year that there was the establishment of district branches in every coffee plantation in coffee growing areas. This was following revision of the constitution the Union became more representative of coffee planters in the country. During the annual general meeting, Honorary District Secretaries were elected respectively by ballot. In Kericho, Koru, Fortternenan the following were elected respectively J. Q. Orchardson, C. A. Orr (Fortternenan and Koru) and Conway Harvey (Hills, 1956:22).

Coffee growing in Kenya during its initial years was hampered by pests, diseases and inadequate number of labourers during the harvesting seasons (East African Protectorate, 1913). A government entomologist was appointed in 1908 and a mycologist in 1913. The duty of the entomologist was to carry out coffee research work. In order to control the spread of diseases, an ordinance was put in place to
curb the spread of leaf rust. Coffee leaf disease ordinance had initially been enacted in 1904 which ruled out the importation of seeds and plants from other countries. Moreover, a coffee plantation inspector was in 1914 appointed whose role was to that of inspection of planters’ farms as well advisory role on conditions that were likely to result in pests and diseases. The inspector was also charged with ensuring that the farmer took measures to curb the spread of diseases and pests in a specified time frame. Inability to comply with regulation given would be met with charges which were either imprisonment or fines. Proper practices were to be adhered to by the farmers (East African Protectorate, 1913:9); (Hills, 1956).

During the First World War1 period coffee farmers were affected by shipping restrictions that were placed on shipping of coffee. Moreover in 1917 coffee import into the United Kingdom was prohibited on grounds of conservation of the shipping space. This in turn resulted in accumulation of coffee and lack of storage spaces for the ongoing harvest. With no sales going on, farmers were unable to maintain their plantations and pay workers which led to neglect which eventually led to outbreak of pests and diseases. This embargo was later lifted and some coffee was exported following Nairobi’s interventions in London (Hills, 1956). Some of the diseases that rose during the war time included leaf rust, thrifts antestia among other infestations (Hills, 1956:60-69).

Given the hard economic times after the World War One most Africans in the region were forced in squatting on the European farms. Most of their livestock, a major source of livelihood, had been slaughtered and confiscated to support the war and therefore, their only means of survival was squatting in settler farms (Kiptoo, O.I., 25/6/2017). These sentiments concur with Hodges (1999:33), who noted that the
aftermath of the war was labour crisis. African labour was in high demand due to economic devastations of this war. Women played a significant role during the World War I period. They ran farms and plantations while the male fork went to war (Hills, 1956:45).

In effort to control diseases and deal with the aftermath of the war, an inspector of plantations was appointed in 1924. The inspector was to set regulations to curb the spread of disease. Despite the appointment, the inspector was unable to cater for the demands that came from the coffee industry that was by this time generated a third of the sum of the a third of total worth of the country’s sale overseas and ranked second in acreage that were set aside for coffee farming in European farms (Hills,1956).

The Coffee Planters Union of Kenya was one of the bodies that the coffee farmers used as a means to ask for monetary from the state. It comprised of a branch organization with a spokesperson in the central council of the Coffee Planters Union. Attachment to the union was not obligatory. The union was the major body that served as a link between the government and the coffee industry. During the annual meeting of 1921, discussions were made concerning the formation of the coffee marketing cooperative (Hills, 1956:95). Other issues arising were the establishment of coffee board to deal with issues affecting the industry. The board was to comprise of senior coffee officers, director of agriculture and three members of the council of KPCU (Hills, 1956:95).

During the period of 1924 to1929 the Coffee Berry Disease had affected some plantations in the district. By 1927, the coffee estates were doing well following the
reduction of the disease attacks. It subsided following spraying and as a result the
coffee industry in the district was awarded two prizes at the agricultural show. By
this time however most parts of the district had not achieved their targeted
production. In, South Lumbwa a good progress was noted. It was therefore clear that
the district was headed for prosperity (KNA/DC/KER/1/2).

In 1929 heavy losses were experienced in both Sotik and Kericho arising from pests,
diseases and drought. Despite this, the acreage under coffee was steadily increasing
and the district was able to obtain prices for exhibition at the farming displays in
Nakuru and Nairobi agricultural shows. During the same period statistics on coffee
showed that a sum of 4,765 coffee tonnes were put for sale in the settled areas
within the country. Coffee was doing well in the district, in a forty acre piece of
land, 3 years old coffee yielded over 20 tonnes. The location of farm was not
mentioned. Increase in acreage of bearing coffee was also consistent over the period
of 1928 to 1930. For instance in 1928 it was 1,393 and in 1929 it rose to 1,714 and
in 1930 it was 2,375 acres (KNA/DC/KER/1/2).

In Lumbwa Industrial Mission coffee was also doing well. This mission station was
a mission station established 1906 by reverend W.R Hotchkiss, an American
Missionary. It was owned, run and managed by W.R Hotchkiss. The mission was
geread towards self-support. Coffee was also grown in large scale alongside other
crops such as maize (KNA/DC/KER/1/4).

By 1930, coffee acreage had increased substantially and the district won various
prizes for coffee at Nairobi Agricultural shows. At the beginning of 1931 to the end
of 1933 Coffee Berry Disease was still a big problem and indeed it caused a lot of
depression among planters. Coffee prices were also beginning to drop due to the world depression. The situation was so dire and as a result a plant inspector and a mycologist stationed at Sotik. They were expected to carry out experiments and investigations with the hope of tackling some of problems in the area. A lot of rain was experienced in other areas such as Kaptien and there were low expectations on good coffee yields (KNA/DC/KER/1/4). On some areas of Kaptien, three coffee farms had already been neglected completely and shift toward tea production was evident (KNA/DC/KER/1/5). The investigations on the *Coffee Berry Disease* went on throughout this period and in 1933, Wilkinson of the Agricultural Department carried out some research and further investigations (KNA/DC/KER/1/6).

In Kipkelion, in 1935 the Lumbwa Industrial Mission was merged with the National Holiness Association. W. R. Hotchinkiss left Africa for America and settled there permanently (KNA/DC/KER/1/8). It was established that following Hotchinkiss’s departure the coffee in this mission station, coffee was replaced by dairy farming due poor yields (Mursoi, O.I., 12/3/2019). Coffee yields in the deferent parts of the district were not promising with the exception of the settled area of Ng’oina which had good yields. In East Sotik, the conditions were quite unfavorable for coffee and shift towards the Blue Mountain variety had begun (KNA/DC/KER/1/8). E. Cuttington, went on with his experiments in Sotik farms in the year however his work was curtailed by lack of adequate funds.

At the turn of 1936, the hope of growing coffee in North Sotik was diminishing except with some few Estates. Several experiments were carried out with little success. It was therefore clear that East Sotik was unsuitable for coffee growing. Experimental works went on geared towards overcoming the *Coffee Berry Disease*. 
The *Antestia* had been done away with by W.G Dawson. He successfully overcame it through method of dry pyrethrum spraying (KNA/DC/KER/1/9). Coffee experiments on the *Coffee Berry Disease* went on in the district. E. Cottington who was also in charge of the experiments was transferred in March, 1936 to Nandi and during the same year in October, assistant agricultural officer was posted to the district (KNA/DC/KER/1/10).

The period 1936 – 1946 came with so much suffering not only globally but also nationally. In Kericho District, however a lot of prosperity was experienced in both Sotik farms and the Kipsigis land in general. A steady market price as well as abundant harvests in different agricultural produce was noted. Coffee production went on and marketing was done through the Kenya Farmers Association (KNA/DC/KER/1/9).

2.4.2 The Emergence of Settler Coffee Cooperatives and Coffee Marketing during Colonialism

The coffee cooperatives were British government colonialist strategy adopted to intensify coffee cultivation. The settlers were therefore forced to join these cooperatives in order to grow and market this crop (Develtere, 1994); (Barnes, 1976:1); (Hills, 1956:62). During colonialism, the indigenous trade on the crop was highly contained and they would only join cooperatives that would perform services such as processing, providing extension services and milling. Moreover, the marketing of the crop was in the hands of the colonial government that was responsible for pricing regulation (Barnes, 1976).
Between the periods of 1900 to 1933 the marketing of coffee was charged with rudimentary institutions and individuals (Coffee Board of Kenya, 2014). The pioneer coffee farmers had to form individual marketing companies to market their own crops overseas. These companies undertook the handling of coffee from mills to the final stage of payment in London or other parts of the continent (Coffee Board of Kenya, 2014). Kenyan coffee was mainly processed and imported by the Germans during the period of colonialism whereas the British were the main consumers (Varqa, 2008:169). The Kenyan domestic market remained unexploited throughout the colonial period; the little that was consumed was restricted to the European expatriate and the British (Varqa, 2008:69).

British settlers formed and use cooperatives as profit generating tools. The cooperatives therefore emerged as a response to the need to address socio-economic problems at that period which included among other issues low prices on agricultural products, poor transport and communication networks. Moreover, the new system of farming at this period involved large-scale production which was challenging. This therefore, triggered the need for association. Colonialism shaped the form and character of cooperatives in Kenya right from its inception (Ouma, 1989:34-35).

The earliest Cooperative Association in Kenya at Kipkelion, Kericho County was formed in 1908 and was named Lumbwa Cooperative Association (Ouma, 1989:34); (Dondo, 2012:27). Its formation was spearheaded by the need to grant white farmers agricultural aid. Lumbwa Farmers’ Cooperative Association was formed mainly to market agricultural produce for the settlers and for acquiring farm input at
reasonable rates whereas Kipkelion Creameries was to market dairy services. Kipkelion creameries came into being in 1912 (Dondo, 2012:27).

In Kenya, the coffee cooperatives and Coffee Planters Associations emerged from the heavy expenditure that accrued from sea freights that necessitated their formation to cut the costs. This began with the creation of the Colonialists Association in 1903 (Hills, 1956). In 1914, the Colonialists Association received an invitation from the coffee planters from Jamaica. The Coffee Planters Association was also formed 1909 and it provided settlers with avenue to air their grievances and a means of political expression. In Kericho County, this association enabled the settlers to acquire land that was lying between Kiu and Forternan for their settlement (Hills, 1956:34). The Coffee Planters Union was formed in 1916 (Hills, 1956). The union received financial support from the banks and it also inherited some the assets from the Coffee Planters Association (Hills, 1956:45).

In post-World War One, the depression necessitated the need to encourage the output of primary products by the Africans in the African areas. This was an effort of Mr. Holm who was in charge of European agricultural production. The role of the Europeans was that of technicians, overseers and advisers. There was also the mobilization for the formation of the cooperative enterprises, Land Banks among other things to promote economic development (Hills, 1956:62).

This began with the formation of the Kenya Farmers Association. The association came into being in 1919 (Hills, 1956). It was formed by the colonial state to provide a platform for white settlers to sell their cash crops such as coffee and other crops overseas and within the colony. This association was the sole distributor of
agricultural tools, seeds and fertilizers. Africans did not benefit much from the association; they were often forced to depend on the local markets because their cash crops such as maize were often rejected by the association on grounds that they did not meet the required quality standards (Leys, 1975).

The government justified settler support and production on grounds that the Africans were too ignorant to produce commodities needed for sale overseas. Despite the governments support, the settlers crop output was insignificant even in situation where production and marketing was reserved for them. Their high standard of living was too high for production (Leys, 1975).

This period was also marked by the emergence of Coffee Companies in Kipkelion, Kericho County. African coffee cooperative societies in Kipkelion were preceded by settler coffee companies. Their operations were governed by the Company’s Act (Too, O.I., 23/7/2017). Chepkechei Company Limited was among the earliest companies that dealt with coffee farming. It began its operation as an individual company that was owned and ran by an Italian settler who was nicknamed ‘Tino’. This was established through an oral interview with a former coffee estate agent in the area (Sang, O.I., 23/6/2017). The settler was nicknamed by the locals. This Italian settler came in the area as an explorer via the Kenya Uganda railway and ex-World War 1 veteran. Following the end of World War One Tino’ settled in Chepkechei regions of Kipkelion as a settler who was not only large scale dairy farmer but also as a large maize and coffee producer (Sang, O.I.,23/6/2017).

Oral interviews with a former colonial estate agent revealed ‘Tino’, as an explorer in the early 1900. He was accompanied by other white settlers such as ‘Mr. Stock’ and
'Mr. Tie' who also originally established coffee cooperatives companies such as Chepkitar Farmers’ Cooperative Company Limited and Koisagat Farmer Cooperative Company Limited respectively. These settlers were marveled by the vast, empty, virgin land of Chepkechei that had conducive climate favorable for agriculture. They established large coffee plantations in the region that are still in existence 100 years later (Ngok, O.I., 23/6/2017).

The completion of the Kenya Uganda railway 1901 and the accessibility of Chepkechei, Kipkelion region via rail provided a viable means of transport for transportation of heavy machinery from both Italy and Scotland via the port of Mombasa that enabled Tino to construct one of the massive coffee factories in the region. The factory was used for wet processing of coffee and coffee production during the colonial era and even after independence. Fortternan railway station played a crucial role since it was centre for loading agricultural produce such as coffee, tea and other agricultural produce for export and off-loading manufactured materials from overseas (Cheruiyot, O.I.,25/6/2017).

Africans at this time following the devastations of World War One, were desperately in need of means survival hence provided casual labour in coffee farms and in the dairy farms in exchange of basic needs such as food. Their labour was also crucial in the construction of the Kapngetuny Coffee Factory (Ng’etich, O.I., 24/7/2017). These sentiments agree Kosgey (1981), who states that the Kipsigis became labourers and producers in various parts of the colony. In areas such as Londiani-Kipkelion where coffee was being grown, their labour was used massively in the settler farms. Furthermore, she notes that that the lack of grazing land due to land alienation forced them into squatting (Kosgey, 1981). Land alienation resulted in
land scarcity which in turn made people seek for opportunities of work. Most of these people landed in settlers’ farms as squatters. Taxation in form of poll and hut tax equally forced Africans to employment in European farms (Zwanenberg et al, 1975).

Bulldozers imported from Europe were useful in landscaping and ox-ploughs were used to till coffee farms before coffee growing and other imported machines were used for spraying coffee to control pests. The construction of the factory began in 1923 and ended in the early 1930s and became operational to date. By 1923, Tino had 200 acres that was under coffee. The factory was managed by Mr. Tino till 1977 (Kirui, O.I., 24/7/2017).

The white settler generated his own power from the available water resource. Water turbine generators were used to extract power from moving water. He had built a water reservoir and channeled water through tunnels at high pressure by use of gravity into an intake point. The water then at high pressure turned the turbines connected to a generator at high speed. The hydropower plant worked through the use of energy generated by falling water to produce electricity. It therefore involved the use of turbines which converted kinetic energy generated by falling water into mechanical energy. The mechanical energy produced was then converted into electric energy. Then the generator uses the mechanical energy from the turbines to generate electrical energy. The strength and energy of falling water pushed alongside the cutting edges of the turbines causing them to spin and as it spins it converts mechanical energy from the turbines into electric energy. Energy that was generated from water turbines generated electricity and steam that was used to process coffee and for lighting (Cheruiyot, O.I., 2/8/2017).
The company processed large tonnes of coffee that was primarily for export and little for local consumption throughout the colonial and independence period. Barriers were erected to prevent Africans accessing the coffee farms from growing coffee. Rules had been outlined by the settlers and those who dared to go against them would be threatened with guns and those who dared to grow coffee, their coffee were uprooted and banished from the area (Kosgey, O.1., 23/6/2017). Africans who worked in the factory as casual labourers were rewarded with skimmed milk (Koskey, O.1., 23/6/2017).

However, in the years following World War Two pressures from the locals led the casual labourers being paid 3 rupees per month later on, Africans who agitated for change. Mau Mau uprising in the 1950s led to an increase in their payment. Payment in form rupees and shillings was introduced. Other would be tricked with gifts and the most aggressive were given cows and banished in the area. By 1977 Africans were paid 52 shillings (Yegon, F.G.D., 14/7/2017); (Too, K.I.I., 2/8/2017). By 1963 exploitative in nature of the company was evident, Africans never benefited from the activities of the company since no one school was constructed nor any social facility (Ng’etich, K.I.I., 12/6/2017).

Chepkechei Company Limited was not the only company involved in coffee farming in Kipkelion. In 1930s, another company emerged in the same division. Its emergence is believed to have been influenced by Chepkechei Company Limited. The name of the company was Almora Estate Company Limited (Ngok, K.I.I., 23/6/2017). The Almora Estate Company Limited was in charge of the Almora Coffee Estate. This was settler owned coffee estate. Almora Company Limited was a coffee marketing company and was located in Chepkechei area. The Almora Coffee
Estate had been established in Koisagat in Kipkelion area largely to benefit the white farmers and the colonizing state (Ngok, K.I.I., 23/6/2017).

The first settler to occupy the land was an Italian nicknamed ‘Cheserut’ by the local. He had 1,000 acres of coffee plantation and a coffee processing and marketing factory. The company came into being as individual settler coffee growing and coffee marketing company. The company was in charge of wet-processing of coffee for export. The settler also owned a dairy farm. ‘Cheserut’ in Kalenjin dialect literally means ‘long nose’. He was nicknamed ‘Cheserut’ because of a prominently long and curved nose. ‘Cheserut’ was also a former World War One veteran (Ngeno, F.G.D., 24/6/2017). He later transferred the land to the second settler who was named James Warrant Douglas who was a dairy farmer (Koisagat Development Plan for 2015). Unlike his predecessor he was interested in dairy farming and therefore he demolished most the coffee and he pursued dairy farming (Chepkwony, K.I.I., 23/6/2017); (Koisagat Development Plan for 2015).

In 1932 there was the enactment of the Cooperative Society’s Ordinance. This moves a significant one in the advancement of agriculture in Kenya. It promoted the registration the Kenya Cooperative Creameries which operated at Lumbwa, Nanyuki and Naivasha. Thika Planters Cooperative Union played a role in purchasing farm supplies for coffee growers from different districts in Kenya. The registration of this union marked the commencement of the large cooperative movement among the coffee growers. It enabled them to promote coffee marketing through the pool orders. The union began with a membership of seven planters and within a period of three years the number had increased to four hundred planters and charged its name to Kenya Planters Union (Hills, 1956:95).
The Coffee Board of Kenya during this time was responsible for licensing, promotion and inspection of coffee growing (Coffee Board of Kenya, 2014). The Coffee Liaison Office was opened in London, November 1933 (Coffee Board of Kenya, 2014). This was aimed at promoting coffee consumption globally. Henceforth, the coffee industry was under the Coffee Board until in 1946 (Coffee Board of Kenya, 2014). The mode of selling Kenyan coffee through the Kenya Coffee Auction commenced both in the years 1934 as well as 1935 (Coffee Board of Kenya, 2014). Moreover, the section involved in liquor of the coffee as well as the Coffee Board came into being. This was geared towards encouraging grading and sale of coffee. It was also during the same year that the coffee auction was inaugurated and auctioning began. A coffee research station was opened in 1944 under the control of the coffee planters. This became the genesis of the Coffee Research Foundation (Kegode, 2005).

In 1946, the Coffee Marketing Board was born supported by the Coffee Marketing Ordinance numbers six (Agriculture and Food Authority, 2016). This board was responsible for coffee marketing activities that entailed sale of coffee at central auction, financing, making liquor as well as central warehousing. In 1960, the coffee ordinance Cap III was enacted through, the consolidation of the Coffee Marketing Ordinance as well as the Coffee Industry Ordinance under Cap. No XXVI of 1960. By July, 1960 the Coffee Ordinance Cap III was executed. It was also at this time that the Coffee Board of Kenya as well as the Coffee Marketing Board was set up under the same law.

Under the coffee Act of 1971, the Coffee Marketing Board was done away with (Agriculture and Food Authority, 2016). Its roles were merged with the regulatory
functions of the Coffee Board of Kenya. The control of the coffee industry was in the hands of the Coffee Board of Kenya until in 2001 when Cap III was amended and a New Coffee Act launched. The roles of the Coffee board of Kenya under the new act include formulation of policies to promote coffee, processing, production, marketing within the country and globally. Its role specifically deals with registration and licensing of coffee operations in the country that include auctioneers, management agents and coffee marketing agents (Coffee Board of Kenya, 2014).

2.4.3 Emergence of Coffee Farming among Africans (1958 – 1963)

The interwar period, 1936 – 1945 was followed by efforts towards allowing Africans to engage in coffee farming (KNA/DC/KER/29). Africans in Kericho County never had a chance to grow the crop until 1950s. Their work was relegated to tending white settlers coffee prior to this period (Too, O.I., 24/7/2017).

Coffee farming in Kericho County among the Africans like in other parts of Kenya emerged following a mass demand by the indigenous people to participate in the economy and the government desire to promote mass production of coffee (Barnes, 1979). These demands began as early as 1930, following the implementation of the Devonshire white Paper Report of 1923 (Agriculture and Food Authority, 2016). It was in 1930s when the state consented to coffee cultivation among Africans in Kisii County as well as Meru Counties. This was following the issuance of Devonshire White Paper of 1923 by the Colonial Secretary that indicated that, African interest in the colony had to be paramount. It is important to note that, little improvement was made following the declaration (Coffee Board of Kenya, 2014). In 1932, the Coffee
Industry Ordinance was endorsed by the colonial government under the request of Africans. During this time they were only designated few acres of the lucrative commodity. The British government therefore controlled much of the coffee production in Kenya during the colonial period. It was until the commencement of revolt by the Mau Mau in 1952 that Kenyans demanded to have power over coffee cultivation. By 1954, the share of control amounted to 5,000 acres of coffee farms (Pendegrast, 1999).

In Kericho County, by the last part of 1957, there was already fifteen acres of the crop growing in native settlement areas (KNA/DC/KER/29). African attention and interest on coffee was also increasing steadily in viable areas. The first harvest on African areas was also expected in the end of 1958. The year 1957 was a significant year in Kericho District, marked by the formulation of long term plan for animal prosperity and African agriculture. A lot of emphasis was geared towards tea and coffee production in viable areas (KNA/DC/KER/29).

Towards Kenya’s independence, efforts were put in to promote coffee farming in African areas. This was done in order to supplement other crops such as tea and maize. The government through public Barazas encouraged individual coffee farming. The district officers as well as the agricultural officers held several meetings across the districts in order to mobilize individual progressive farming. Loans were also given to farmers through the collaboration of the government and the African District Council. These loans largely targeted the areas that were underdeveloped such as Kimulot (KNA.DC/KER/1/28).
Furthermore, to ensure that individual farming was progressive, a by-law was passed through the African District Council in which orders were to be placed on the Kipsigis farms for those who failed to develop their holdings for instance, failure to carry out bush clearing. This policy was believed to have been the first one of a kind in Kenya even though it had been applied previously in European farms. Firm treatment of the disobedient was to be applied. This also involved setting up a new agricultural committee under the agricultural ordinance. Each division had two and three from Sotik (KNA.DC/KER/1/28).

In 1957, fifty one farmers in Buret area obtained coffee seedlings from a nursery that had been established at Roret in Buret Division. Coffee at this time was restricted to regions lower than five thousand eight hundred foot contours. These were areas along Kipsonoi basin however coffee farming had not got the attention of the Kipsigis. This was resulting from the efforts involved in groundwork of both the land and holes that was needed to establish a coffee farms. The number people willing to engage in this were a few (KNA/DC/KER/1/28).

At independence in 1963, significant progress among Africans in the Kipsigis area was noted, there was the construction of two small factories, and a production of approximately 15 tonnes of clean coffee (KNA Kericho District Annual Report, 1963). In November the same year, 5 tonnes of coffee were dispatched with 80 percent of it being classified in the four classes. More planting took place 36 acres were planted in April however, this period was followed by dry weather which resulted coffee decline. By the end of 1963, there was approximately 218 acres that was under coffee in native settlement areas and total production of that year was 24 tonnes. The number of growers had risen to 435 while the nurseries in place were
three with 90,000 seedlings. In Koru coffee substation, in 1962, there were 218 areas of *Buni* coffee and a sale of 19.5 tonnes was made that year which increased to 24 tonnes in 1963 (KNA.Kericho District Annual Report, 1963).

In Forternan and Koru area there was a lot of improvement in terms of quality and production following better management. In Londiani areas, the state undertook actions geared towards improving the coffee culture in plantations. Loans were given and more effort was put to improve farming method (KNA.Kericho District Annual Report, 1963).

### 2.4.4 The Emergence of African Coffee Cooperatives during Colonialism

The desire to develop cooperative marketing for African produced coffee by some members of the colonial office had emerged prior to independence however; this initiative was put on hold because of the conflicts between Nairobi and London coffee office over the coffee growing matter. The settlers’ farmers in Kenya were concerned about the re-absorption of African ex-service men into the colonial structure after the World War II. This fear made the policy makers to believe that cooperatives would be ultimate organization for the ex-service men; cooperatives would present new leadership avenues, serves as a means for economic development and provide new jobs (Barnes, 1976:137-138).

Throughout 1900 - 1932 Africans were discouraged from forming cooperatives societies. The colonialist frustrated their efforts by ensuring that they did not unite socially, economically and political through cooperation (Kenduywa, 2009:4).

The agitation of Africans to be integrated in the cooperative movement began in 1940s. Eliud Mathu; the first African representative to the Legislative Council was
instrumental in this process. He aired African grievances in parliament (Ochieng and Maxon, 1992). Moreover, open agitation by African producers to be incorporated and to participate in the cooperative movement contributed immensely (Ochieng and Maxon, 1992). Ouma, (1980:43) noted that the rise of formal African cooperatives organization was on grounds of exploitation by Asian traders who dominated trading activities and paid very low prices for African agricultural produce (Ouma, 1980:43). Notable African producers who mobilized Africans to engage in cooperative movement were ex-chef senior Mbiyu Wa Koinange from Kiambu, Central Kenya and in Kipkelion, Kericho County was Taita Arap Towett (Ibid); (Ngok ,O.I., 23/7/2017).

W. S. Campell was the cooperative expert at this time, he toured Kenya in 1944 and later validated cooperative marketing organizations for Africans. He recommended cooperative groups for African coffee growers (Ochieng and Maxon, 1992), Gikenye (2010) and Bager (1980:69), note that Kisii Coffee Growers Association, the Kenya African traders, Taita Taveta Vegetable Cooperative, Farmers Association was among the earliest association formed by Africans. However, these associations and cooperatives were not officially recognized until later in 1945. A dispensation to cultivate 1,000 acres of coffee on an experimental basis was given in 1934 in Kisii. This area was later increased and by 1945 there were already 290 coffee growers in Kisii with 177 acres under coffee (Bager, 1980:70).

In 1946, the government then established the Cooperative Department under the Ministry of African Affairs having passed a cooperative ordinance in 1945, to facilitate for African inclusion in the cooperative movement (Ochieng and Maxon, 1992). As noted earlier, the Kipsigis had systems of teamwork that involved
communal efforts therefore the spirit of cooperative movement existed prior to colonialism. The encouragement of the formation of coffee cooperative by the colonial government was not a new invention (KNA/DC/KER/29).

The position of the Registrar was also created and followed by appointment of the Registrar. The registrar was set to assist in cooperative development and in appointment of a group of staff to aid in supervision and organization of the cooperative societies. The 1945 Cooperative Society’s Ordinance empowered the registrar to register, deregister and cancel a certificate of registration of cooperative societies among other issues (Kobia, 2011). African involvement in the cooperative organizations began officially in 1945. This was as a result of the enactment of fresh cooperative ordinance that paved way for African contribution. The 1945 Cooperative Societies Ordinance repealed the 1932 Cooperative Societies Ordinance legalizing registration and formation of African cooperatives (Ouma, 1989:34); (Gamba and Komo, 2003:2).

The Department of Cooperative Development operated under the Ministry of African Affairs between 1945 – 1960. However at its inception, the position of both the Clerk and that of Registrar was taken by the Europeans while the position of inspectors was dominated by Africans. Mr. Eliud Mathu was one of the members of the Kenya Colonial Legislative Assembly at this period and therefore began spearheading for African participation in the cooperative movement. He was later joined by Majority of government official started to facilitate and promote the advancement of cooperatives and at close of 1952, 160 cooperative institutions were in place. The Mau Mau agitation at the wee years of 1950 negatively affected its growth. Part of its staff and affiliates took off to participate in the independence
struggle. Its growth however did not come to a halt (Gamba and Komo, 2003:2); (Ouma, 1989:34). In Kericho similar scenario was noted.

The application of the Swynnerton Plan earlier in 1954 led to great development. This plan had recommended land registration, consolidation and growing of cash crop. Moreover it had agitated on the need to increase commodity production on African small scale farms resulted in gradual increase of cash crop production majorly pyrethrum and coffee production (Bager, 1980:70). By 1951 the number of cooperatives owned and under Africans were 133 whereas that of Europeans were 13, while that of Asians were 11 (Hyded, 1983:16).

In Kericho County this process took a snail pace due to white settler reluctance to hid to government orders. There was little resistance from the locals who at this time had little interest in cooperatives. They were more interested on repossessing their previously alienated land which bore little fruits due to the lack funds to purchase land and little technical knowhow (Tanui, K.I.I.,24/6/2017). It was the application of the Swynnerton Plan of 1954 that made the Africans in Kericho to develop interest in the cooperative movement. By 1958, there were over 400 registered co-operatives in Kenya. By 1963, there were approximately 1,000 registered cooperatives (Gamba and Komo, 2003:3); (Ouma, 1988:35-36). In Kericho County, the Kipsigis Coffee Growers Cooperative Society came into being 1963 but experienced financial difficulties throughout the year (KNA/DC/KER/29).

2.5 Summary

This chapter focused on the emergence of coffee cooperatives in Kericho County in from1923 to 1963. Using theoretical tool of collective action theory this chapter
notes that, the Kipsigis had an organized pre-colonial socio-economic system that was largely subsistence and aimed at self-sufficiency. Economic activities were accomplished through cooperation; labour for instance, was generated from the entire geographical community (Bororiet) or from the immediate neighborhood (Kokwet). This is clear pointer that indeed, there existed traditional forms of cooperation in African societies even before colonialism.

Collective action theory was also useful in explaining the emergence cooperatives among the Europeans. We established that the inadequate transport and communication network, large-scale coffee production necessitated the need for cooperation among the Europeans in order to solve the socio-economic problems at that time. Europeans were formed associations such as the Kenya Farmers Association, the Coffee Planters Union in order to address economic problems collectively at the same time step up coffee production that required large-scale production which could not be accomplished by one individual.

The modern cooperative associations in Kenya emerged during colonialism. Their emergence is attributed to British settlers who wanted to use them as profit generating tools. We also established that, coffee was introduced by the colonial settlers and Roman Catholic Christian missionaries in Kericho County. The exact timing when coffee was first introduced is not clear. However, oral interviews revealed that coffee was first introduced in the early 1900 and coffee experimental planting began in 1910 up to the period after to the end of World War 1. The marketing of coffee at this period was charged with individual companies and firms who undertook the handling of coffee from mills to the final stage of payment following their sale in London or other parts of the continents. Chepkechei
Company Limited and Almora Estate Company Limited were among the earliest coffee growing companies in Kipkelion, Kericho County. Lumbwa Farmers Association however was the earliest cooperative movement in the Kenya and Kericho County formed in 1908 which is believed to have set a base for the emergence of other cooperatives in Kericho County including that of coffee. At this period the colonial government influenced the development of cooperative indirectly. African participation in the cooperative movement was minimal. Africans in Kipkelion like in other parts of Kenya had been banned from growing coffee as well as from forming and joining cooperatives. Therefore, coffee farming in Kipkelion was a settler’s affair during this period. It was later in 1957 that Africans began engaging in coffee driven by government effort to promote progressive farming. By this time, Africans were anxious to acquire lands given that most of them were landless. Coffee farming was not the driving factor.
CHAPTER THREE
TRANSFORMATION OF SMALLHOLDER AGRICULTURE: COFFEE
COOPERATIVE SECTOR IN KIPKELION, KERICHO COUNTY 1964 – 1980

3.0 Introduction

In this chapter we examined the transformation of coffee sub-sector from 1964 - 1980. It was established that transformation of the smallholder agriculture in post-independent Kenya consequently transformed the coffee sub-sector. Using the collective action theory, the chapter addresses the rapid emergence of the coffee cooperative societies in post independent Kenya. The emergence of coffee cooperative societies are in response to structural changes in land ownership, the transformation of smallholder agriculture which was an instigation of the independent government effort to promote coffee sub-sector among other factors.


The transformation of the smallholder coffee industry grew rapidly following the Kenya’s attainment of political independence. The attainment of independence in Kenya was a significant event to all Africans in Kenya. It was a turning point that brought about significant social, economic and political transformation in the country (Sigilai, K.I.I., 24/6/2017). This is clearly demonstrated in a statement made in an interview with a cooperative official who said:

To the indigenous people in Kipkelion, Kericho County, independence meant freedom from colonialism and a new beginning. It marked an end to colonial aggression, oppression, poverty and landlessness. Squatters in the region were a happy lot. This echoed the first president’s sentiments that

Indeed, Africans in Kipkelion, Kericho County were anxious to take over their previously alienated land from the white settlers who were then the dominant lot in the ownerships of all means of production in the region including cultivation of significant produces like coffee, tea, and maize. They were also dominated in marketing and trade. There were large plantations under coffee and tea with own marketing companies. To the settlers it was such a bitter event (Lelei, K.I.I., 22/7/2017).

When Kenya attained independence, the government adopted a similar approach as the colonial government where it went on with the roles of formulation, legislation and the disbandment of policy regarding cooperative (Tegemeo Institute of Agricultural Policy and Development, 2012). Most of the economic sectors developed by colonial powers were inherited by Kenyan post-independent regimes at independence in, 1963. Few changes in the economic sector structure were undertaken. The establishment of regional and local cooperatives for marketing and the provision of credits and inputs was one of the major policies to improve the small-scale agriculture (Varqa, 2008:69). A small-scale farmer required to register with the local cooperative structure for marketing and processing of their coffee (CBK: Coffee Traders Licensed Dealers, 2007). With a target of sharing economic costs, most small-scale coffee farmers were legally bound to be members of the KPCU (Varqa, 2008:71).

Focusing on small-scale coffee production, the independent Kenya, government noted that, apart from the changes in farm structures in terms of land possession a
blend of other aspects would be significant in establishing consistent foundation for the growth and expansion of coffee production. These included, among others improving coffee market access, promoting coffee quality and quantity. The government therefore undertook some steps in order to achieve such objectives. Some of the efforts included;

3.1.1 Provision of Extension Services

In 1964 – 1980 in Kenya, coffee farmers joined coffee cooperatives. This was largely driven by their desire to promote and benefit from the coffee crop. Moreover, the government contributed immensely to this through support for coffee cooperatives targeting at improving coffee quality, yields and returns by providing essential services to farmers at a cost. Such services include, offering extension services, coffee milling, and coffee husbandry, offering of credit facilities to enhance and manage the marketing of coffee among other aspects (Kenya Planters Cooperative Union, 2010). The coffee cooperatives in the country are geared towards promoting the crop yields as well as overall predicament of the coffee cultivators. Cooperatives involved in agriculture have been acknowledged for potentiality in promoting profitable advancement regionally (Government of Kenya, 2010). Cooperatives potentials were not fully recognized in the colonial era and they therefore began to be appreciated and began to flourish in post-independence period in most African countries. The government of Kenya began to acknowledge and promote cooperative movement as an avenue where cultivators could jointly use to accomplish agricultural might as well as economic advancement in the country. The government therefore worked towards strengthening the organizational capacity of farmer’s cooperatives through providing for avenues to solve the problems that
arose from the sector through the creation of the Ministry of Agriculture (KNA. Kericho District Annual Report, 1965). Moreover, folks in the rural set up were heartened to engage in coffee farming and the administration went on to provide support through provision of credit facilities, loans as well as agro-chemicals (CBK, 2011). In Kipkelion and the entire Kericho District, Kabianga Farmers Training Centre was also undertaking grassroots approach aimed at improving agriculture through follow up and recruitment (KNA. Kericho District Annual Report, 1965).

3.1.2 The Setting up of the Cooperative Bank and the Coffee Research Stations

In addition, in 1965 the government under the Cooperative Societies Act set up the Cooperative Bank. The bank was charged with the provision of general loans, start-up costs and provision of credit to build factories (Cooperative Bank of Kenya, 2011). It also went ahead to launch a broad program targeting coffee in Kenya. This was aimed at transforming the coffee industry into a powerhouse. To achieve this, government set up Coffee Research Stations in various highlands where coffee was grown. In addition agricultural officers were expected to interact with farmers on regular basis through promoting the use of pest control measures as well as manure in order to promote the crop productivity and quality (Gitu, 2012:20). In Kericho County, Koru Coffee Research Institute had already been set up in 1959 to offer the above services. The institute was set up in Khitari farm that was purchased by the Coffee Board of Kenya. The institute was set up to provide site to look into problems regarding coffee growing under warm conditions as well as under high rainfall. Moreover it provided technical advice on best coffee management practices among other issues. Today and then the substation plays a significant role since its
acts as a coffee growing advisory centre for farmers in Kisumu, Kericho, Nyando, Bondo, Siaya, and the Nandi district (Coffee Research Institute, 2016).

3.1.3 The Sessional Paper Number Ten of 1965

Furthermore, the Sessional paper No10 of 1965 recognized cooperatives as instruments of economic development. It acknowledged cooperatives movement as an instrument that farmers could use to attain agricultural and economic development in the region. This strengthened the capability of farmers to unravel problems arising from the cooperative segment. The state administration held up this by creation of the Ministry of Agriculture and further mobilizing farmers in the rural set up to grow coffee and in return the government would support them by provision of the agrochemicals, loans and credit facilities (2011). Moreover the government encouraged farmers to join cooperatives to promote support for the coffee crop. Government support for the coffee cooperatives was aimed at quality, improving yields. The coffee cooperatives were charged with providing extension services, provision of access to credit facilities and coffee husbandry (Kenya Planters Union, 2010).

In Kericho County, in the effort to promote cooperative effectiveness, the Kipsigis Cooperative Union became the District Union and was registered in June, 1965. The Kipsigis Coffee Growers Cooperative Society Limited also revised its by-laws and it became the Kipsigis Society Limited (KNA.Kericho District Annual Report, 1965). This move was meant to curb the formation and registration of single purpose cooperative societies. Multipurpose cooperative societies were seen as effective and had better chances of increasing turnover and business volumes (KNA.Kericho
District Annual Report, 1965). They were also easy to function in any type of area. Following its registration, a loan of Shs.40,000 from AFC bank was approved and granted to the society. This was to be utilized in the building of second coffee factory at Kebeleti. The construction of the factory was aimed at boosting coffee production as well as increasing the quality of coffee processed (KNA.Kericho District Annual Report, 1965).

The year 1966 was marked by widespread emergence of self-help efforts in the entire Kericho County (KNA.Kericho District Annual Report, 1967). This was geared to benefit the community. In Londiani, Forternan meetings were held during the year and signified the sale of farms to company partnership. 12 farms were sold to cooperatives and four others to individuals and two to ADC (KNA.Kericho District Annual Report, 1967). Coffee farming on the other hand was gradually getting on its feet since coffee production in small scale farms increased to 332 acres whereas in the large scale farms there was 2729 acres (KNA.Kericho District Annual Report, 1967). Several land purchase loans were approved by the land and Agricultural Bank Corporation in 1966. Eight of these loans totaling to £50,950 were approved. Land consolidation and registration was also taking place in the district, high demand for land, combined with the rise of squatters and job seekers led to inconveniences to many land owners. Riots became rampant in towns too (KNA.Kericho District Annual Report, 1967). In Rore area, a coffee cooperative society and coffee factory which was involved in coffee growing remained active and the most successful in the district. Generally, societies in the district were largely affected by lack of skilled and competent leadership. Membership was vibrant though (KNA.Kericho District Annual Report, 1967).
There was increased interest in land registration throughout the district. The alternative of owning land through direct negotiation between the owner and the buyer was on the rise. That was done on “willing seller, willing buyer basis”. This process involved groups of people organizing themselves up into societies or companies. This was because very few individuals could raise sufficient money to purchase large farms individually (KNA.Kericho District Annual Report, 1968).

3.1.4 Foreign Assistance

In an effort to promote rapid expansion of cooperatives in the country, the independent Kenyan government sought a helping hand from countries such as USA, India, Canada, Germany and the Nordic countries (Ouma, 1975:60). The Nordic projects were quite significant, through the helping hand of the Nordic project for instance, the cooperative unions became robust and the continued to function efficiently. Furthermore, through the national apex organization, the Kenya National Federation of Cooperatives, the Nordic government continued to play a significant role through majorly technical and financial assistance. They also spearheaded the establishment of management and accounting systems. Staff training was done abroad on matters of cooperative management. Indeed this assistance was valuable in the expansion and growth of cooperatives countrywide (Ouma, 1975).

In Kericho District, the Nordic advisor significantly contributed to the cooperative management as well as growth. Nordic advisor, Jorman Hyvinen Planned for the District Cooperative Union and merged all societies under one union in 1968 (KNA.Kericho District Annual Report, 1968). The District Cooperative Union did
well throughout the inception year under the supervision of its membership. A total of fourteen societies were active by this time. In Kipkelion division, there were 14 farm purchase societies which were badly managed. A case in point is Koisagat Farm Purchase Cooperative Society Limited and Chilchila Farm Purchase Cooperative Society. There were also produce cooperative societies dealing with coffee, sugarcane and pyrethrum (KNA.Kericho District Annual Report, 1968).

Furthermore, in order to eliminate ignorance of the legislation, Act rules and by-laws governing the cooperative movement, several courses were undertaken both locally and provincially by those who had interest in the cooperative movement. Most of these courses were indeed valuable to those who turned up. Considerable improvement was evident in most societies. Most of their operations were within their approved budgets. The District Cooperative Union staff was tasked with checking and inspecting most of the books of accounts of the societies in the district. Efficiency was one of their goals which were done through centralization of employment of primary societies (KNA.Kericho District Annual Report, 1966).

Furthermore, the Nordic advisor who was at to the Cooperative Union worked hard to ensure the farms was re-organized to their satisfactory. Educational training and publicity was done across the district. This involved a number of courses for the committees and secretaries. These trainings were undertaken over the year at Kabianga Farmers Training Centre. Seminars were also conducted at the District Cooperative Union offices. The outcome of these courses was efficiency and improvement in the cooperative movement (KNA.Kericho District Annual Report, 1970).
Training of staff and farmers were done in two farmers training centers of Kabianga Farmers Training centers and that of Bomet. Those in Kipkelion received training in Eldoret Large-Scale Training Centre. Apart from training farmers were occasionally paid a visit. These trainings were hampered by lack of teaching visual aids and lorries for transport of farmers for farm visits (KNA.Kericho District Annual Report, 1971). Transport remained a serious problem, mismanagement of cooperative societies affairs as well as lack of trained personnel in the movement as well as embezzlement of funds persisted as major issues. Cases involving a total of 2,575 were reported and were still pending in court (KNA.Kericho District Annual Report, 1972).

3.1.5 Access to Coffee Cooperatives Credit Schemes

The availability of coffee farmer’s credit schemes enabled farmers to access finances which contributed to coffee farming and expansion. The main financial institutions by this time were the African Finance Corporation, German Small Holder Credit Scheme and Commercial Banks and Cooperative Union. These institutions offered credit facilities to farmers. AFC however remained the chief lending financial institution (KNA.Kericho District Annual Report, 1972).

In small-scale areas, more farmers obtained title deeds for their land parcels. They used them as collateral to acquire loans. By 1972 Kaitui Farmers’ Cooperative Society and Kebenet Limited showed signs of improvement following loan access. The other cooperative societies went into rehabilitation for failure to repay loans. Major issues that arose included, the lack of proper farm record, mismanaging of farms resulting from inefficient unqualified farm managers, illegal membership on
farms, poor roads within the farming areas and misunderstanding among members (KNA.Kericho District Annual Report, 1972). In response to this, 18 senior agricultural assistants attended two weeks courses at Kabianga Farmers Training Center during the year. The trainings were geared towards improving budgeting and farm management. This training was also done in Bomet Farmers Training Centre targeting both farmers and the staff. In Kipkelion division, this was executed in Eldoret. This also targeted the Kericho District Agricultural Committee from Londiani, Lumbwa and Forternan (KNA.Kericho District Annual Report, 1972).

Within the entire cooperative movement, the progress was really encouraging. However the milk producers were leading with the opening of the Kenya Cooperative Creameries in 1972 at Sotik (KNA.Kericho District Annul Report, 1972). The cooperative department in general was still having problems. It was understaffed with an aggregate total of 40 societies that was sparsely scattered over the entire district. More training, education and publicity were offered at Kabianga (KNA.Kericho District Annual Report, 1972).

The year 1973 was marked by the mushrooming of new cooperative societies dealing with different farm produce. Within Kericho District, Kericho District Cooperative Society Union by this time had forty four registered societies in the district of which thirty five were affiliated to the union to provide with various services such as book keeping supply of fertilizers. The union managed to pass a resolution to pass value of shares from Kshs 3 per member of the society to Kshs 10 raising the share capital from Kshs 4,100 to 46,000 (KNA.Kericho District Annual Report, 1973).
Financial problems crippled most of the societies. In 1974, the credit finances were granted by the Cooperative Bank of Kenya. These were the loans that had been applied by the farm purchase cooperative societies. Out of the processed amount, Chepkitar FCS Limited and Mutaragon requested for Kshs 1.2 million for farm purchases of which Kshs 600,000 was given to Chepkitar Farmer Cooperative Society (KNA. Kericho District Annual Report, 1973).

There were seven farm purchase societies producing coffee and marketing societies. The members of the Kipsigis Farmer’s Cooperative Society neglected coffee farms in favor other crops. Campaigns were however in mid-1974 and this made the society to market twice the amount made 1973 (KNA. Kericho District Annual Report, 1973).

Farm purchase cooperative society accounted for most of the cooperative societies in the region. There were 22 farm purchase cooperative societies whose activities by this time were beginning to decline. They included Koisagat Farmers’ Cooperative Society, Chilchila Farmers’ Cooperative Society, Chepkitar Farmers’ Cooperative Society, Song’onyet Farmers’ Cooperative Society, Cherara Farmers’ Cooperative Society, Mutaragon Farmers’ Cooperative Society, Lelu Farmers’ Cooperative Society, Keshen Farmers’ Cooperative, and Chepchabas Farmers’ Cooperative Society (KNA. Kericho District Annual Report, 1973).

3.1.6 The Integrated Agricultural Development Project for Coffee Cooperatives of 1978

This was part of the government effort to promote cooperative growth. The ground work began with the formation of cooperatives in the project areas as well as a mass
recruitment drive from members (KNA.Kericho Annual Report, 1978). This involved a whole farm approach in economic development. Earlier at independence, the government had emphasized provision of extension services in order to improve coffee quality and quantity. Integrated Agricultural Development Project went a step further to incorporate other exogenous features such as infrastructural, incentives, institutional and pricing regulatory systems. The goal of the government was to influence development from the grass-root. The Technical Officers and Technical Assistants were charged with the responsibility of effecting the development projects in the fields (Ibid: 16). This was successfully carried out and was followed by the selection of project farmers from their respective cooperative societies. Training of the project farmers was immediately carried out at the beginning of 1978 in their respective cooperative societies. This training was done at Kabianga Farmers Training Centre. Among the beneficiaries of the project included, Chepkechei Farmers’ Cooperative Society Limited, Kokwet Farmers’ Cooperative Society limited and the Tinderet coffee estates. Despite government efforts towards the success of the project, we noted that farmers had negative attitude toward the project. Loans were taken for the purchase of tractors from the AFC .The success of the project could not be established (KNA.Kericho Annual Report, 1978). We learnt that, the District Agricultural Officers rarely consulted the Technical Officers and Assistants in various projects identification and hence there was failure in decentralizing planning to the fields. The field agents therefore lacked adequate knowledge on the projects. Most understood them as just credit schemes. The programme experienced lack of data for scrutiny of technical packages. The data was significant in evaluating the viability of any technical package. This emanated from failure to involve the junior staff in the planning process (Ibid: 20-23).
3.1.7 The Smallholder Coffee Improvement Project (SCIP 1) 1979 –1983

During the same period the government also introduced the Smallholder Coffee Improvement Project (SCIP). This was a program that was meant to rehabilitate the smallholder coffee subsector. The first project was introduced in 1979. This was a World Bank funded project introduced through the government of Kenya through the Cooperative Bank of Kenya (Kegode, 2005). The roots of the project emerged from 1973 Agricultural Sector Survey that noted an upward trend in coffee prices. The coffee demand in coffee importing countries was also high. However, this was short-lived the prices soon dropped following overproduction that followed 1973 demands. The project was implemented by the Ministry of Agriculture through a joint effort of provincial authorities and the district coffee working groups. Other groups involved included, the Banks Regional Mission also guided the process consulted by Ministry of Agriculture (KNA.World Bank, SHCIP, 1979).

The project targeted the smallholder coffee cooperatives processing facilities with an aim of achieving the following objectives, providing incentives to smallholder farmers, rehabilitating neglected coffee as well as, rehabilitating coffee factories. Other important components of the project were putting up of fourteen new factories, and rehabilitating the existing four hundred factories, provision of training grounds for factory staff as well as construction of drying units, improving the work at the coffee research foundation and availing loans to farmers for the improvement of their holdings. The projected aimed at involving an approximated 70,000 registered coffee growers (World Bank, 1979). The project main driving factor was the overall improvement of productivity of the entire coffee cooperative sector as well as creating employment (KNA.World Bank, SHCIP, 1979).
In Kipkelion, Koisagat Coffee Factory benefitted greatly from these funds since its construction was done using the same fund. Farmers were relieved since the members of Koisagat Farmers’ Cooperative Society ceased to take their cherry to Chepkitar factory (Koisagat Farmers’ Cooperative Society Development Plan, 2016). Modern training was also carried out to facilitate what was set as CRF (Kirui, K.I.I., 24/6/2017).

The 1964 – 1980 period in Kipkelion witnessed an increase in the number of coffee farmers marketing cooperative societies formed by Africans and ran by Africans. This was further enhanced by SCIP1 in late 1980s. In Kipkelion, there was the emergence of the following farmers’ cooperative societies, Kapngetuny Farmer’s Cooperative Society limited, Koisagat Farmers’ cooperative society, Chepkitar Farmers’ Cooperative Society, Chilchila Farmers’ Cooperative Society, Kipchorian Farmers’ Cooperative Society, Kasheen Farmers’ cooperative Society, Kapkiyai Farmers’ Cooperative Society, Kunyak Farmers’ Cooperative Society, Kapkilumben Farmers’ Cooperative society, Cherara Farmers’ Cooperative Society. Most of these societies dealt with coffee. Some of these societies benefit from both SCIP1 project that enabled them to settle loans that they had borrowed from institutions such as AFC to transfer ownership of some of the societies from white settlers and which include, Koisagat Farmers’ Cooperative Society that was initially Koisagat Land Purchase Farmers’ Cooperative Society and Kapnetuny Farmers’ Cooperative Society was initially Chepkechei Company Limited (Bore, K.I.I., 3/8/2017).
3.2 Africanization in Kericho County and the Emergence of Land-purchase Companies 1964 - 1980

The transformation of the smallholder agriculture in Kenya grew rapidly following the attainments of Kenya’s political independence in 1963. This transformation had commenced earlier in 1954 following the introduction and the implementation of the Swynerton Plan that consequently brought about gradual transformation of the agricultural sector that in turn consequently enhanced the contribution of the small-scale farming to the Kenya’s economy. Chief among the motivations in the negotiation for political freedom by the Africans being, the desire for the acquisition of lands alienated by the whites. This was intended at controlling mismanagement of lands which was likely to contribute to disruption the Kenya’s profitable activities and sources of livelihoods. Discussions in government were concluded and it was opted that the next government would be granted funds which would facilitate landless Africans to buy lands from the white farmers (leys, 1975); (Thorwart and Hangwitz, 1967).

The majority of the landless Africans at this time acquired lands in the white highlands through mortgaged ownership. This entailed the formation of land-buying companies by the prospective buyers, identification of the lands that was set for clearance and arrangement of finances for obtaining the identified land. The use of mortgages was a common phenomenon at this period. Where this was applied, the land would remain intact until the mortgages had been cleared. Where a company was involved, it was obligated to issue equity shares to possible affiliate buyers while remaining in charge of the management of the land in question. The repayment of the mortgages was extended over a period of time and this enabled the
underprivileged and those with little income to buy land in installments (ROK, 1995).

Africanization was not only taking place at the state level but also at the local area. This involved transfer of ownership which involved the taking over positions initially held by the Europeans. District Agricultural Officer position was handed over to Africans. This was not confined to the departments only but it extended to the coffee estates. During this period, the Minister for Cooperatives marketing then Mr. P. J. Ngei toured Kericho District. In Kericho County; the year 1965 was marked by people struggling to acquire new lands. Most farms were acquired through cooperatives. The number of large scale farmers went up (KNA.Kericho District Annual Report, 1965).

Africanization process in the district is what consequently precipitated the formation of farm purchase cooperative societies and by 1965; cooperatives in the district were getting back on their feet. There was a sporadic emergence of farm purchase societies which involved farmers pooling money and buying farms in the large scale farming areas (KNA.Kericho District Annual Report, 1965). A total of 18 registered farming purchase societies emerged and a few others were waiting to be registered. Most of those that emerged were from Kipkelion Division which is currently Kipkelion Sub-County. Those that emerged in Kipkelion included; Koisagat Land Purchase cooperative Society, Cherara land Purchase Cooperative Society among others (KNA.Kericho District Annual Report, 1965). By 8th, September, 1965, there were twelve cooperative societies all emerging from the settlement schemes. Five of these succeeded in applying and receiving admission to the District Union
(KNA.Kericho District Annual Report, 1965). We shall however give a detailed account on the emergence of Koisagat Land Purchase Cooperative Society only.

3.2.1 The Emergence of Koisagat Land-Purchase Company Limited

The rise of Koisagat Land-Purchase Cooperative Company Limited was linked to the efforts of the African elite in Kipkelion. After national independence, African coffee farmers in the region began agitating for the removal of white settlers who were the dominant producers of coffee as well as the owners of the coffee marketing companies (Sang, F.G.D., 14/7/2017). Most of the coffee was under white settler estates and therefore the transfer of ownership was needed. However, it is vital to note that at this period, agitation by the Kipsigis was not to grow the cash crops but to get back their lands and break away from the reserves that had been created for them that were then characterized by poverty, diseases and helplessness. Their women and children were in great despair (Singoei, F.G.D., 14/7/2017). Bitterness and resentment towards colonialism and coffee farming was evident through one Italian settler and the owner of Almora Estate. This settler was quoted by an African in Koisagat area saying in Kiswahili: “Hawa Nyani wanafurahia nini! Sasa! Watachukua kahawa yangu” Which when translated to English it meant: “What are these monkeys happy for? Now they will take over my coffee”

This statement signified the bitterness of the white settlers and how relieved Africans were from their exploitation and oppression. The African elite and elders in the region played a key role in organizing the local residents to fight for the return of the alienated lands. Prominent among them was the Kipsigis scholar, Dr. Taaitaa Arap Towett (Kibet, O.I., 12/6/2017). Towett was among the Kipsigis elite who was
fortunate to have attained early missionary education and was therefore influential in mobilizing the residents of Chepkechei area to get together and organize themselves into groups in order to purchase the lands that were under coffee and dairy farming. During this time, many of the residents could not manage to raise money to purchase even the smallest piece of land hence cooperation through cooperatives was therefore the only option. Towett mobilized the elders who in turn mobilized the African population in order to regain the alienated farms (Cheruiyot, O.I., 12/6/2017). Towett persistently used such words:

We need to get away the white settler and to do this we need to be armed we cannot do this with our bare hands; we need money (Terer, K.I.I., 12/6/2017)

Indeed, these words were helpful. The settlers in the region were very adamant to give up their lands due to the massive profits they had gained and at some instances force had to be used to force them out. For instance in the Almora estate the local people, due their bitterness, they vandalized the coffee marketing factory and the settler’s residence which is currently Koisagat Coffee Cooperative Society Company Limited. This was following the take-off Cheserut in late 1960s. This was because they were still in fear that the white man could come back (Rotich, K.I.I., 23/6/2017).

The Almora Coffee Estate was transferred to the second settler, James Warrant Douglas a dairy farmer. Unlike his predecessor, he was interested in dairy farming and therefore he demolished part of the coffee and remained with 100 acres and pursued dairy farming (Rono, K.I.I., 26/6/2017); (Koisagat Development Plan for 2015).
The transfer of ownership to the indigenous people of Koisagat was done when some locals formed a group named Koisagat Land Purchase Cooperative Society that consisted of sixty seven members (Koisagat Development Plan for 2015). Since the members could not afford to raise the entire principal amount needed to acquire the Title Deed and the land, the members had to get an advocate who would in turn get them a financier who in this case was the African Finance Corporation. AFC would then clear the payment for the members and obtained the Title Deed and held it. All the members had cleared the loan would then receive the Title Deed. Upon completing the loan payment, members would then divide the acquired piece of land according to the shares contributed (Soi, K.I.I., 23/6/2017); (Koisagat Coffee Farmers Development Plan, 2015).

The society was formed in between 1964 to 1965. The group raised capital that assisted them to purchase an approximate 2,000 acre piece of land. The Almora Estate therefore ceased to exist. The society was registered in 1964 and later it was reverted and registered as farmers’ cooperative society. It is important to note that during these early years of independence, few Africans in the region were interested in coffee growing and coffee marketing cooperatives (Kiprotich, O. I., 16/6/2017).

When the members obtained the shares of the land, some uprooted the coffee; they associated coffee farming with the white man and exploitation. Some unknown resident was quoted saying: *Kahawa ni ya Mzungu hata tukipanda hatuwezi uza kwa sababu hatuna mkahawa na kibanda cha kusaga na kuuza.* (Kirui, O.I., 1/8/2017). In English this translates to: The sole ownership of coffee by the white people and the lack of factory to process and sell the coffee.
It is clear that, Africans in the area had little agricultural knowledge on coffee farming. However to some, it was an opportunity to reap the benefits for example in the case of Koisagat Farmers’ Cooperative Society Limited. The founder members went on with coffee farming and used the society as a marketing channel.

3.2.2 Coffee Farming after Independence

During the early years of independence, little interest was given to coffee, given that by this time tea was more popular. A proposed coffee factory known as Kebeneti Factory was slow in construction. This arose from a dispute between two groups of growers. In other areas such as Cheboin, Bomet Division interest in coffee was quite high, though finding seeds was a problem. In Forterman, Koru large scale coffee production was slowly getting back to production (KNA.Kericho District Annual Report, 1965). Kabianga Farmers Training Centre was also undertaking a grass-root approach aimed at improving agriculture through follow up and recruitment (KNA.Kericho District Annual Report, 1965).

*Coffee Berry Disease* had caused reduction in production. This led to low payment to growers which in turn discouraged most of the growers. The standard of husbandry did indicate big reduction during the year. A total of 2,729 and 322 acres of coffee in large scale and small scale areas respectively were maintained during the year (KNA.Kericho District Annual Report, 1968).

A downward trend in the standard of coffee husbandry was experienced in both small scale and large scale areas. This was more prevalent in areas where tea was grown whereas in areas where coffee was the only dominant crop the yields were quite high since priority was given to good coffee husbandry. The total acreage of
coffee in the district was 3,426 Rift Valley, Nakuru Annual Report, 1968). This comprised of 226 acres under small scale farming and 3,200 acres of large scale farming. The *Coffee Berry Disease* continued to reduce production greatly (Rift Valley, Nakuru Annual Report, 1968).

By 1969 the small scale coffee sector had begun to drastically decline. 80 acres was under coffee by then which was below the previous year’s figure. Most of the coffee had been uprooted and replaced with tea in some parts, while coffee farming was replaced with livestock. Some had been neglected completely due to the fall in prices. There were increased campaigns on the need to increase spraying against the leaf rust disease. *Coffee Berry Disease* was also noted in some areas. Large-scale farming acreage stood at 1,040 hectares and same conditions prevailed in the small scale farming areas (KNA.Kericho District Annual Report, 1969).

Kaitui Factory was opened in 1970 and it helped in raising the standard of coffee husbandry in the region. In other parts of the district the conditions were unbearable. Control measures against, *life minor, leaf rust* and *autestia* were demonstrated. Spraying was the main measure. Within the large scale plantation, most of the coffee had been neglected. Its acreage stood at 903 hectares in 1970 (KNA.Kericho District Annual Report, 1970). The decline in the husbandry was attributed to transitional period of farms from Europeans to Africans. Most of these coffee farms had been neglected and by the time the new farmers took over following the end of loan repayment, it became extremely difficult and expensive to renovate them. This had a great impact since some of the incoming farmer uprooted coffee trees in place of tea and other livestock farming (KNA.Kericho District Annual Report, 1970).
The quantity of coffee in 1969 was 24 tonnes and that of 1970 was 29.2 tonnes (KNA.Kericho District Annual Report, 1970). The decline in coffee production was increasing. During the year there was 70.6 hectares small scale coffee farming and out of it 32 hectares were unproductive. In the large-scale coffee farming areas the planted ones stood at 902 hectares. Several factors led to the lack of desire in coffee by farmers. Coffee prices were poor compared to those of tea and cattle. This forced most of the coffee farmers to uproot and replace coffee with keeping livestock and planting tea. 1,888.5 kgs of cherries were delivered to factory at Kaitui during the yearly review (KNA.Kericho District Annual Report, 1970). Transportation of most crops proved difficult due to poor roads. This resulted in limited market access for coffee. Coffee sales in 1970 were 292.2£ (KNA.Kericho District Annual Report, 1970).

Kipkelion division which was one of white settlement areas still kept the characteristics of large farms in 1972. Many of these farms by this time were owned by Africans. Coffee farming was almost on the verge of diminishing. The process of uprooting coffee rose because of the lucrative prices that tea and dairy farmers received. Dairy industry at time was at its best with farmers earning gross income of Kshs 1,763,629 (KNA.Kericho district Annual Report, 1972).

By 1972 coffee farming seemed to be fighting a losing battle especially among the small-scale farmers. Even within the well maintained areas, the coffee hectares declined from 70.6 hectares in 1971 to 65 hectares in 1972 with the average yields standing at 400kgs cherries per hectare (KNA.Kericho District Annual Report, 1972). For the factories under the cooperative societies the kilos stood at 17, 924kgs of cherries compared with 18,888.5 kilos in 1971 (KNA.Kericho District Annual
Report, 1972). The drop within the small-scale farmers was attributed to previous causes indicated in 1971 which included, poor prices offered for coffee in comparison to better prices offered to tea and milk. Poor management of coffee in large scale farming areas persisted. Several crops were attacked by pests and diseases. The marketing of these cherries was not an issue but low intake resulted in delayed payments which were discredited to cooperative societies despite the good weather. By the end of 1974 there was a lot of stock needed to be sent to KPCU. Coffee improved from kshs 312,000 in 1973 to kshs 672,824/45 in 1974 (KNA.Kericho District Annual Report, 1972). This increased was triggered by the inclusion of farmers from Nyagacho farms, Mutaragon, Lelu and Kasheen farms. There was also the effort to improve coffee production in the fields in the 8 societies which consequently contributed double increase (KNA.Kericho District Annual Report, 1972).

The total production of coffee in societies was higher than that of 1973. Farmers fetched higher amount of Kshs 672,824/ 45 in 1974 (KNA.Kericho District Annual Report, 1975). It was hoped that coffee production would overtake that of dairy production. By this time the acreage under coffee that was mature was 1,083 hectares. This had a capability of producing over Kshs 3,000,000 annually (KNA.Kericho District Annual Report, 1975).

In 1975, coffee production was at 904.6 hectares. Coffee production in 1976, were approximately 250 kgs of 944 hectares of coffee (KNA.Kericho District Annual Report, 1975). That of 1977 was 400 kgs per hectare which accounted for 107.4 tones (KNA.Kericho District Annual Report, 1975).
3.2.3 From Chepkechei Company Limited to Kapngetuny Farmers’ Cooperative Society 1977 – 1980

The pressure from the locals yielded its results in 1977 (Kirui, K.I.I., 24/6/2017). The white settler was forced to sell Chepkechei Company Limited to Africans owing to the pressure from the African community and the spirit of independence. Transactions and valuation was facilitated by the son in-law of the Italian White settler who had married his daughter. Africans came up together and pulled resources to purchase the coffee plantations and the factory (Kirui, K.I.I., 14/7/2017). The property had been valued at a cost of Kshs. 900,000. Kirui, K.I.I., 24/6/2017). Each member was supposed to pay Kshs. 1,000 since they were 300 members (Kirui, K.I.I., 14/7/2017). A total of ksh.300, 000 was contributed and paid to the owner of the plantation as a deposit. The government chipped in through (Agricultural Finance Corporation) AFC which gave a loan of Kshs. 600,000 to clear the outstanding balance and the land title deed was issued as a collateral (Chepkoech, FGD., 14/7/2017).

The members were therefore required to repay the loan on monthly basis but owing to administrative and structural challenges they did not repay the loan consistently thus forcing the society to be put under receivership by the financier AFC, which then appointed a managing agent Lincon Agencies whose mandate was to take over the management of the society and to market its produce while repaying the loan from the coffee proceeds. AFC managed the company in the period 1977 up to 1985 when its management was handed to Africans as a coffee cooperative society (Burtai, F.G.D., 14/7/2017). Kapngetuny Farmers’ Cooperative Society therefore came into being in 1977 (Burtai, F.G.D., 14/7/2017).
According to oral interviews and focus group discussions with some coffee cooperative member who participated in the study the name Kapngetuny was coined from a piece of land that had been reserved by the white population. The piece of land was meant to act as a buffer zone between the large scale coffee plantations owned by the white settler and the African reserves. As time evolved, the piece of land became a thicket. When the white settlers departed following independence, Africans in the area cleared the thicket for settlement and for coffee farming. They had a bumper harvest from the land. The bumper harvest is therefore synonymous with the piece of land that had been left fallow. As a result they named the land as Kapngetuny to signify success. Kapngetuny as a word is a formed by combining two words in Kipsigis dialect ,the word ‘kap’ and ‘ngetuny’ in which the word ‘kap’ means the place or residence of whereas the word ‘ngetuny’ is derived from the verb ‘nget’ which means abandoned. Since the pioneer members of the Kapngetuny Coffee Farmers Cooperative Society Limited come from the same village they decided to name the cooperative society as Kapngetuny as well as the coffee processing factory to signify their success and efforts (Kipngeno, F.G.D., 14/7/2017); (Talei, K.I.I., 24/6/2017).

3.3 Summary

This chapter discussed the major factors the shaped the growth of coffee cooperative societies in Kipkelion, Kericho County following the attainment of Kenya’s political independence in 1964 to 1980. It was established that indeed the attainment of Kenya’s political independence brought about social and economical changes in country’s economy. The coffee cooperative sector in Kipkelion, Kericho County experienced a rapid transformation in 1964 to 1980. This transformation was driven
by majorly transformation of the smallholder agriculture that consequently transformed the coffee sector. Key factors for transformation included, structural changes in land ownership, the setting up Coffee Research Institute, the establishment of the Cooperative Bank and the Ministry of Agriculture, introduction of Smallholder Coffee Improvement Project one, coffee farmers access to Coffee Cooperative Credit Schemes and Foreign assistance among other aspects.

In 1964-1980 African ran coffee cooperative emerged in Kipkelion which include, Koisagat Farmers’ Cooperative Society, and Kapngetuny Farmers’ Cooperative society among others. The coffee cooperatives societies during this period were geared towards bringing socio-economic development in rural parts of Kipkelion. Most of these coffee cooperatives faced leadership wrangles, mismanagement among other problems. It is imperative to state that changes in the coffee subsector were influenced by the independent government at this period.

In this chapter the Olson’s Collective Action theory was relevant in explaining the rapid rise of coffee cooperatives at independence and up to the introduction of SAPs in the 1980s. Africans in Kipkelion were forced to join cooperatives and to form land-purchase cooperatives at independence in order to facilitate for Africanization of both land ownership and transfer coffee companies from the white settlers to Africans. The independent GoK incentives and initiatives facilitated for the rise of coffee cooperatives at this period. The African elite were also instrumental in the rise of coffee cooperatives. Access to appropriate infrastructure and education are significant in the growth of cooperative associations.
CHAPTER FOUR

STRUCTURAL ADJUSTMENT PROGRAMMES AND THE
LIBERALIZATION OF THE COFFEE COOPERATIVE SOCIETIES IN
KIPKELION 1981 – 2012

4.0 Introduction

In this chapter, we focused on the effects brought about by the structural reforms in the coffee sector and liberalization on coffee cooperative societies in Kipkelion, Kericho County from 1981 – 2012.


Prior 1989, coffee contributed about twenty five percent of the total coffee export earnings in Kenya (World Bank, 1990). In 1990/91 production year, the small-scale coffee sector accounted for sixty percent of the total production in that year (Mude and Omiti, 2007:36). Many rural households in Kenya depend on coffee as a major source of income, an approximately thirty percent of the agricultural sector workforce are employed in the coffee sector (Nyoro, 1994:1).

Coffee payments to farmers have decreased in the recent years. This decline was attributed to the decline in the world coffee prices that arose from the suspension of the International Coffee Organization in 1980s and the subsequent accumulation of coffee in the world market (Kiragu, 1995:1); (Nyoro, 1994:1). The decrease in coffee payment was aggravated by poor financial management by coffee cooperatives societies, surplus processing and poor handling of the marketing costs among other aspects. The uncertainties in the timing of payments decreased coffee
farmers’ ability to plan. In response to these disincentives, coffee farmers decreased their investment in coffee husbandry and this further jeopardized the situation (Nyoro, 1994:2); (Kiragu, 1995).

Market reforms were therefore undertaken to reverse the decline in coffee earning and production. These reforms were significant in streamlining the coffee marketing, processing and handling within the coffee institutions. The target was to reduce excessive handling, processing and marketing costs and improve coffee payments to farmers (Nyoro, 1994:2); (Kiragu, 1995:31); (Chacha and Mwede, 2015); (Varqa, 2008:80-84).

In addition, up to the mid-1990s, there was prevalent acknowledgement that upholding the coffee quality as well as regulations on production was not aiding the sector to grow and hence the sector had to be liberalized to realize its growth ability (CBK, 1996). In 1997, the 1933 Coffee Act was revised to pave way for agricultural reforms and individual legislative supplement was published in 1999 to support these reforms. The reforms were undertaken to enable the marketing rules to fit within the liberalized marketing policies (Varqa, 2008:82). Varqa (2008:84), noted that major reforms were looked into in the late 1990s and legislated in 2001 and implemented in 2002 to address inherent institutional problems at national level (marketing level), regional and local level (society and local cooperative).

Prior to liberalization and the policy reforms, the small-scale coffee sector collectively transported, bagged and processed their coffee to KPCU stores. The cooperative societies came into being under the Cooperative Act and supervised the operations of the member factories. Other roles of the coffee cooperatives included
receiving and processing of coffee payments, book-keeping on behalf of factories among other roles (Nyoro, 1994:5). (Varqa, 2008:84) stated that with the implementation of the reforms, advance processing such as sorting and coffee milling was delegated to coffee factories at different locations within the country hence decentralizing the production capacity within the limited scope of the liberalization programme (CBK, 1999).

The KPCU was the main institution the provided organized services to small-scale coffee farmers. It was a government parastatal that was involved in offering technical advisory role to cooperatives, short-term credit facilities and coffee storage. It also levied charges on milling at the beginning of each crop year (Kenya European Commission, 2004).

The Coffee Board of Kenya was another institution that offered technical advisory role crop husbandry, warehousing and crop inspection. Other roles included, the licensing of planters and coffee millers, pre-financing of coffee prior sales, Coffee Research and Development under the Coffee Research Foundation and payment of coffee producers (Mude, 2006:2); (European Commission, 2004).

The Kenya Coffee Auction comprised of subsidiary company of the CBK and a firm of brokers. Its major function was auctioning of coffee on behalf of the CBK. The auctioning process involves, the sale sample of each lot of coffee being passed through licensed coffee dealers ten days prior the real action date purposely, for dealers to plan for individual auction. Coffee is therefore not sold by individual producers but by making sure contracts arrangements with importers (Nyoro, 1994:8); (Kenya European Commission, 2004); (Condliff et al., 2006).
In Kenya, it is sold in the Central Auction in Nairobi. Throughout the year, the coffee auctions are held weekly. The CBK decides the quantity of coffee to be offered in the auction prior the auction date. Coffee is offered at the reserved price that is pegged to prices at the New York Coffee Market. The Middle Trade Coffee Trade Association of Eastern Africa sets the rules followed in the coffee auction. The Kenya Coffee Action then calls out coffee lots on the catalogues and coffee dealers contend against each other by bidding for the best prices. There were 139 registered coffee dealers in 1990 and by this time, 129 were active (Kiragu, 1994:9). Following the purchase of coffee at the coffee auction, within seven days, payments are made. This is made to the CBK followed by coffee export. Coffee payment is then made by the dealers to the board. Therefore the CBK, KPCU and cooperatives all offer services on behalf of the farmers at a cost yet at no stage in the marketing do they own the crop (Nyro, 1994:9); (Mude, 2006:2); (Ponte, 2001).


The first step towards implementation of liberalization in the coffee sector began in October, 1992 (Nation News Paper, 2016). In consultation with the Coffee Board of Kenya, the Government of Kenya as well as other key stakeholders in the coffee industry, the Central Bank of Kenya was allowed to conduct the Nairobi Coffee Auction in US dollars. The coffee farmers were also to be paid in US dollars (Nation News Paper, 2016). Prior to 1992, the coffee dealers purchased coffee in Kenya shilling. This policy was amended and coffee would be sold in the US dollars. Furthermore, coffee farmers were allowed to retain fifty percent of the coffee proceeds in the US dollars and the remaining fifty percent in Kenya Shilling. However, a hundred percent retention of the coffee sales in US dollars was allowed
in February, 1994 (Kiragu, 1995:31); (Nation News Paper, 2016). Within the coffee cooperative societies they were allowed to have retention accounts. These accounts allowed the coffee cooperatives to procure inputs directly from manufacturing outside Kenya. This policy on foreign exchange was later reversed in May, 1994 and farmers were allowed foreign exchange from coffee sales to import all kinds of inputs (Nyoro, 1994:9); (Kiragu, 1995). The coffee auction in US dollars commenced with the sale of No.CBK 4 held on 27th October, 1994 and several auctions have been held since then (Kiragu, 1995:34). Payments by coffee dealers were in the beginning made by bankers’ overdrafts but with liberalization, payment is done by telegraph (Kiragu, 1995); (Mude and Omiti, 2007:38).

This policy change was aimed at curbing the delays in payment that was common in the previous pool system. However, according to small-holder farmers this move did not help them in any way. Small-scale farmers failed not only to participate in the foreign dominated trade but also failed to benefit from currency gain. Their argument was that they still marketed their coffee through cooperatives. Therefore ‘marginal benefits were felt from this reform. Other contributing factor being lack of critical skills needed in the money market. This move further failed to change small-scale farmers’ method of marketing since the mode of selling through pools was still common at the cooperative levels (Nation News Paper, 2016). Ephanto (1993) noted indeed little benefits were reaped from the structural reforms given that prior to 1992 there had been devaluation of the Kenyan shilling and as a result, most of the coffee exporters incurred an estimated twenty nine percent of the tax burden.

Policy change in the pool system, with the pool system, all the coffee was sold in the pool before 1992 (Nyoro, 1994:10). The idea of the pool system is provided for in
Act. Cap. III (Kiragu, 1995:20). This meant that the proceeds for the entire year were aggregated to determine the yearly average prices for the varied classes of coffee farmers (Kiragu, 1995:20). Farmers were then paid at the same rate for the coffee of the same quality irrespective of prices the individual coffee received at the time of sale. Advances were also paid to farmers by the CBK from the money borrowed. Moreover, farmers were granted three to five percent part payment depending on the outcome of the sales. Cooperatives utilized part-payment and advances to finances their operations instead of paying farmers. This was because the payments they received were not adequate to pay farmers. The final payments to farmers were delayed in the pool system. This was because coffee for the entire year had to be sold prior determining the final payment. Farmers had to wait for up to twelve months before receiving all their payments. Farmer had to borrow money in order to finance their off-farm expenses as well as farming activities. In addition, this method of payment did not offer incentives to farmers to enhance quality instead, quality was improved communally by factory members (Nyoro, 1994:11). The CBK borrowed money from local banks or internationally through a consortium of banks to finance advance to farmers and coffee payments. Farmers were therefore charged some interest rates for the loan repayment. This was worsened by the depreciation of the Kenya shilling against the major world currencies where borrowing was done internationally (Nyoro, 1994:11).

Significant policy adjustment was done, Direct Payment System was introduced to work parallel with the pool system. The genesis of this idea was delayed payments experienced in the previous years. These delays arose along the marketing chain and management problems. The DPS was therefore adopted in 1993. At the close of
2001, 20% of the coffee in Kenya was remunerated via pool mode whereas that of
direct payment system accounted for 80% of the payments (Karanja and Nyoro,
2002). Farmer have pointed out that indeed the DPS has own merits which include a
faster payment to farmers. We establish that the DPS has enhanced cash flow to
coffee farmers, for instance, 85 percent of the auction proceeds is paid to coffee
farmers within the 14 days of coffee sale (Kiragu, 1995:11). This system encourages
quality production (Kiragu, 1995:11). However it was not without a demerit which
in most instances has been known to expose farmers to higher prices risks.

The coffee marketing and coffee payment system was changed in May, 1993 to an
“out of pool coffee sales” (Nyoro, 1994:11); (Mude and Omiti, 2007:38). Through
this, individual factories had to decide whether their coffee would be sold directly or
in the pool. “Direct sales” where farmers are paid as soon as coffee is sold, coffee
payments are timely. It also promotes the production of high quality coffee as well
as minimal income transfer from good quality producer to poor quality producers.
This system of payment is reliable. In comparison with the pool system it is more
prone to price fluctuation. The Coffee Board of Kenya has been responsible for the
changes in price policy. The coffee cooperatives in Kenya have been affected
differently by these policy changes (Nyoro, 1994:12).

The coffee milling reforms were also undertaken which involved reforms on, the
coffee marketing, handling and processing costs. This was in 1993 where two
additional coffee millers were licensed by the CBK (Nation News Paper, 2016).
Liberalization of the coffee milling was geared towards reducing the coffee milling
costs, increasing the out-turn ratios and promoting milling efficiency (Kiragu, 1995).
There has been reduction in coffee thefts which was previously experienced prior to
its installation (Nyoro, 1994:24). In addition, Nyoro and Karanja (2002) noted that this move has precipitated in increased milling capacity in the country to 140,000 metric tonnes from approximately 230 metric tonnes, which in turn resulted in the increase in the overcapacity milling of about 60%. This is believed to be unhealthy since the aim of liberalizing the milling sectors was to lower the milling charges unfortunately, this has not happened but instead the milling charges have shot up. The driving factor being reduced production capacity in relation to the milling capacity.

The action system was also reformed. The liberalization of the coffee auctioning removed the monopoly of the CBK and the appointed coffee auctioneers. The new system promotes open auctioning and promotes competition among dealers and hence promotes higher prices and decreases the coffee marketing costs (Kiragu, 1995); (CBK, 1999); (Mude and Omiti, 2007:38).

The systems of financing within the coffee sector were also changed, under the liberalized environment. There was the introduction of the SCIP11 as part of special fund to the coffee sector (Kiragu, 1995:5). The coffee cooperatives accessed their finances before liberalization from overdraft facilities at the Coffee Board level and financed coffee stocks through bank overdrafts whose cooperative limits was Kshs.1,000 million. These funds were sourced from Barclays Bank Limited, the Standard Bank and the Cooperative Bank. In the recent years however, the role of the financing system has been underestimated making farmers to seek alternative sources of funds. These funds which aid coffee farmers to finance their coffee growing and other off-farm activities have resulted in high cost of borrowing. Within the cooperative sector, the SCIP11 was paid at a rate of 15% per annum of
money borrowed (Kiragu, 1995:6). The second SCIP11 fund provided credit that amounted to 2.6 Billion shillings (KNA.World Bank, SHCIP, 1979). This was meant to finance the implementation of Cherry Advance Payment Systems (CAPS), Improved Coffee Payment System (IPS), Coffee Factory Development Scheme (CFDS) and Farm Input Loans Scheme (FILS) (Kegode, 2005). It was geared towards improving coffee quality and increasing income to smallholder farmers. It was an initiative of the Kenyan government as well as the International Development Agency under the World Bank. It was discussed and signed out in 1989. Its implementation began in August, 1990 (KNA.World Bank, SHCIP, 1979). The impact of these funds was enormous; the fund resulted in increased circulation of money within the coffee industry resulting in favorable financial climate (Kiragu, 1995). Improved Coffee Payment System (IPS) according to some cooperative officials has helped in speeding up farmer’s payment through training on proper management. On the other hand, the CAPS which aimed at providing advance to farmers improved greatly from Kshs 1.50 for every kg of coffee cherry handed in during year 1991 to Kshs 5 in the year 1998. Advances were to be given out as loans at the rate of 12%. An approximated 28, billion had been given out by 1998. Caps have enabled farmers to have a cash flow (Mude and Omiti, 2007:36). However, this fund was meant to be revolving fund but got depleted due failure of repayment by the Cooperative Bank to Government of Kenya (Karanja and Nyoro, 2002); (Mude and Omiti, 2007:36).

For FILS which was aimed at allowing farmers to access credit facilities for the purchase of hand tools, chemicals and fertilisers by the close the year 1998 a sum of 2.42 billion Kenya shillings had been given out to Kenya’s coffee growing districts.
These credits were run by the Cooperative Bank of Kenya at the rate of 15% interest rate repayment. This was done at two year repayment period plus a year grace period (Karanja and Nyoro, 2002).

On the other hand, the Coffee Farmers Development schemes (CFDS) was geared towards facilitating access to funds by coffee societies and to improving and developing coffee processing in factories. This was launched in 1994 and by 1998 and 1997; Ksh 706.4 million worth of tender had been given out. However factories built under these funds were believed to have been expensive (Karanja and Nyoro, 2002a). A further 61 million was used for the coaching of members of the committee, members of coffee nursery and society managers (Karanja and Nyoro, 2002). In Kipkelion, Koisagat coffee factory benefitted greatly from these funds since its construction was done using the same fund. Farmers were relieved since the members of Koisagat Farmers’ Cooperative Society ceased to take their cherry to Chepkitar factory. Modern training was also carried out to facilitate what was set as CRF (Koros, K.I.I., 1/8/2017).

The major goal of both SCIP1 and SCIP II were to enhance the time to receive payment by farmers. Initially the reform process showed some success however it was not sustainable. The funds were soon depleted due to lack of external funding. This resulted in the termination of the SCIP projects in mid-1990s (Varqa, 2008:81).

Furthermore in the year 1996, while targeting at increasing coffee production changes in the issuances of coffee license was introduce. This saw a reduction of minimum holding for licensing of coffee planters was decreased from 10 to 5 acres (Mude and Omiti, 2007:38). The reforms were aimed at improving incentives in
order to enhance quality and hence further enhancement through the Direct Payment System. (Mude and Omiti, 2007:38). These changes on the other hand consequently led to doubling-up in figure in the number of plantation estates less than 20 acres to above 1,500 in the year 2000 from 630 in the year 1994. The number of licensed planters also went up and as result the capacity of coffee pulping factories has declined. Loss of membership has also been experienced as they get licensed and in turn medium-sized coffee producers have emerged (Mude and Omiti, 2007:38). In Kipkelion, we observed that the number of small-scale coffee farmers with small farms less than five acres rose. Fragmentation of coffee farms to units less than five acres also increased following the implementation of these reforms.

Removal of tight control over the operation of coffee cooperatives was effected in June, 1998 (Mude and Omiti, 2007:38). This was followed by enactment of new Cooperative Act. As a result farmers were empowered to run the cooperatives as small economic units (Nation Newspaper, 2016). The impact of this has been an increase in the number coffee cooperatives countrywide, for instance in the 1990s it stood at 207 while in 2001, it was 406 (Nation Newspaper, 2016). This was reflected in Kericho County. Currently, there are 32 registered coffee cooperative societies under the Kipkelion District Coffee cooperative Union (Too, K.I.I., 1/8/2017).

After the execution of previous policy developments in the coffee sector, the government published another Sessional Paper No.2 in 2001 (Nyro and Karanja, 2002:25): (IMF and Kenya PRSP, 2005). This Sessional Paper aimed at completing the institutional reforms in the coffee sector and harmonizing them. The paper was titled Liberalization and Restructuring of the Coffee Industry. Its publication was done following a debate in parliament. The paper was hence launched and what
followed was the enactment of the Coffee Act of 2001 (Nyoro and Karanja, 2002:25); (IMF and Kenya PRSP, 2005).

Key aspects that emerged from paper included the separation of roles of regulation and marketing. This meant that the marketing task was set to be undertaken by the marketing agents within the coffee sector (IMF and Kenya PRSP, 2005). This role was initially played by the KPCU while the regulatory role was played by the Central Bank of Kenya (Mude and Omiti, 2007:38). This move was geared towards increasing participation of private sector in the coffee industry. It was also hoped that this would aid in lowering the marketing costs incurred by the farmers. This move indeed helped the coffee cooperatives in Kipkelion, Kericho County to lower their marketing cost. This is following the establishment of the Kipkelion Coffee mill and the formation of Kipkelion District Cooperative Union. The achievements of the union has been discussed at the end of this chapter (Cheruiyot, K.I.I., 1/8/2017).

Secondly, coffee farmers were empowered to participate in the election of CBK and CRF Board members (IMF and Kenya PRSP, 2005). Prior to this reform, a delegated system was charged with the responsibility of electing the board members. This process often lacked transparency and accountability. In the New Act, farmers elect the board members directly (Cheruiyot, K.I.I., 1/8/2017). This comprises eight members from the coffee cooperatives and three members from the plantations (IMF and Kenya PRSP, 2005). Checks and balances within the apex coffee institution is ensured through this move. This regulation took effect from June, 2002 (Karanja and Nyoro, 2002); (IMF and Kenya PRSP, 2005); (Mude and Omiti, 2007:38). This set off with the election of the board members according the new regulation (Coffee
Act, 2001). We noted in Kipkelion the coffee sector affairs, activities as well as operations were persistently interfered with by the political class. The New Coffee Act 2001 offered a relief since it was also geared towards reducing political class interference in the coffee sector. We established following the implementation of the act, coffee farmers’ participation in their cooperative affairs has improved greatly. Additionally they have been fairly pleased to participate in this process. One coffee farmer in Kericho County in a Focus Group Discussion said:

The move has promoted coffee farmers’ participation in the coffee industry. Following this reform they have been participating in decision-making through their elected board members (Chepkorir, F.G.D., 4/8/2017).

He furthers says the previous system lacked transparency they always felt their interest were not gathered for. We established that the new Cooperative Act granted the farmers complete autonomy over their affairs. The grass-root cooperatives gained freedom to establish and dissolve themselves (Varqa, 2008:151). Before to 1998, the GOK was involved in the running of cooperatives through office of Commissioner of Cooperatives, field agents as well as through the District Cooperative Officers (Mude and Omiti, 2007:38). The DCOs had power to dissolve the governing Board and to call for fresh elections despite the farmers owning the cooperatives. Following the new Cooperative Act of 1998 the GOK ceased to be involved in policy-making jurisdiction over the operations and activities of cooperatives. Currently, cooperative members of the board can chose Auditors of their preference and DCOs are no longer needed to co-sign any financial activities and transactions. Complete authority over the affairs of the cooperatives was taken by the cooperative board members among other aspects (Mude and Omiti, 2007:38).
The New Act of 2001 also further out-lawed the sale of cherry at the farm-gate level. This meant that the small scale farmers are mandated to carry their cherries for processing and marketing at their respective coffee cooperative societies (Cheruto, K.I.I., 1/8/2017).

Furthermore, the advisory roles as well as the extension services were to be offered by the coffee millers, marketing agents as well as the management agents (Coffee Act, 2001). Kipkelion Coffee Mill took over the role of marketing and advisory following its establishment in 2012. It was observed that the establishment of the mill increased coffee production in the region due its proximity and accessibility to coffee farmers (Cheruto, O.I., 24/7/2017).

The Coffee Development Fund of 2006 was initiated by the Kenyan government at the beginning of the 2008/2009 financial Year (Monroy and Mulinge, 2013:12). The government endeavoured to provide readily available funds to coffee farmers that were geared towards improving coffee production. The coffee farmers were therefore able to access the credit for rehabilitating their coffee trees and for stabilizing income. The GOK aimed at ensuring coffee farmers had sustainable coffee funds. The government therefore made these funds accessible to coffee growers (Monroy and Mulinge, 2013:12). A total of Kshs 1.065 billion was availed to coffee growers at the close of 2008/2009 fiscal year. This was doubled in the following financial year to Kshs 2 billion (Waitathu, 2010). The loans were offered at an interest rate of ten percent. The funds were availed through the Cooperative Bank of Kenya free of subsidy (Monroy and Mulinge, 2013:12)
The impact of this fund has been immediate. Success in most farms has been noted. The managing trustee George Oke remarked:

There has been success in these loans especially in the manner in which the loans have been handled from the national level to the farm level.

Since the establishment of these funds, coffee farmers can access as well as return them as per concurrence. In Kenya, in general, over 55,000 farmers have accessed the funds from the year 2010. One of the coffee farmers in Kericho County who was a beneficiary in 2011/2012 financial year in an oral interview stated:

She was a beneficiary of the fund and the funds have facilitated for the purchase of farm inputs and as result their livelihoods have improved resulting from improved income (Tabandich, O.I., 3/8/2017).

In a summary, reforms within the coffee sector were geared toward increasing efficiency as well as ensuring more returns to farmers unfortunately, this is yet to be achieved. Farmers as well as coffee cooperatives in Kericho County continue to be faced by a lot of uncertainties. Coffee cooperative societies and farmers feel that the process of liberalization has to some extend enhanced the cooperate interest and as a result the benefits they receive are marginal.
4.2.1 The Effects of SAPs and liberalization on Coffee Cooperatives in Kipkelion, Kericho County, 1981 to 2012

The structural reforms and liberalization of the coffee sector resulted in various effects on coffee cooperative societies and other producer cooperatives in Kericho County. In general, the advent of liberalization caused the producer cooperatives to decline in their economic output. Some become progressively dormant while others closed down. The contribution of agricultural cooperatives in trade and industry decreased after liberalization (Yegon and Tibbs, 2015:1500).

Within the dairy sector, for instance, by the year 2011 out of the 19 of the registered cooperatives, 15 proved active however with little capital share of proceeds. Within the sugarcane sector, out of the 20 registered 3 were dormant and within the coffee sector out of the 32 registered a few were dormant. It was hard establishing which ones were active and which one were dormant. Out of the total registered 265 societies we found out that a total of 174 were active and 91 were dormant (Yegon and Tibbs, 2015:1500); (Ngetuny, F.G.D., 4/8/2017). Among the notable effects of liberalization within the coffee subsector are discussed below:

Indeed, liberalization resulted in a mixed outcome. In a Focus Group Discussion, we established that at the initial implementation of liberalization measures, most coffee cooperative societies in the County were not adequately prepared to operate in this new competitive environment. Liberalization therefore resulted in both desirable and undesirable consequences. To farmers, most could not clearly understand what liberalization meant and its extent. To some, liberalization meant, direct farm-gate sales and freedom of choosing own buyers with some farmers supporting while
others declining. Those that declined the idea liberalization argued that liberalization had a likelihood of increasing coffee theft and other agricultural produce sold through cooperatives. Following liberalization, coffee theft went up (Chorwa, F.G.D., 4/8/2017); (Kipchichir, K.I.I., 3/8/2017).

Direct sale was one of the outcomes of liberalization of the coffee sector. Direct sale can be described as the process of trade happening in one’s presence. One is able to see direct trading occurring. The relationship between the importer and the exporter can also be seen. Direct negotiation between the parties involved within and outside the country is also made possible. This is a new phenomenon within the Kenyan coffee industry. This is believed to be geared towards creating producers’ autonomy in the coffee industry (*The Perfect Daily Grind, 27th April, 2017*).

In the pool system, the smallholder producers could not meet the buyers nor negotiate. Licensed coffee dealers were the only individuals allowed to bid. More buyers have emerged following the implementation of free market environment. At the moment, coffee cooperative societies can make direct sales through marketing agents and to dealers who are mandated by the law. Payments are also made within seven days of coffee sales (*jkimemia@crf.co.ke* and www.crf.co.ke).

This statement concurs with sentiments from oral interviews where we observed that liberalization of the coffee sub-sector has created an alternative markets for their coffee cooperative societies. In An oral interview in Kapngetuny Farmers’ Cooperative Society a cooperative official said: They receive buyers from overseas countries such as Lebanon. These buyers also visit them at the milling plant seeking to be major buyers of their coffee (Chebet, O.I., 24/7/2017). A coffee cooperative
member additionally remarked that Kipkelion coffee is among the best in Kenya, in terms of quality therefore, they have been able to market their coffee easily and this has improved the quality of life unlike before when they sold it through to KPCU (Milgo, O.I., 24/7/2017). Liberalization has therefore been beneficial to farmers in terms of providing diverse market opportunities.

The second window channel was brought in 2006 by the coffee rules as an alternative marketing channel. The second window channel enables the cooperative unions, estate growers, cooperative societies to become marketing agents for their own coffee. This option has been significant to farmers since it gives price transparency in the sense that, farmers are able to follow up and determine the cost of their coffee to the final buyer. Second window channel which is also the direct sale has since its inception helped to expand the coffee market since it not only presents opportunities for local roasters which in turn enable value addition and the expansion of the local consumption (Mureithi, 2008:25-26).

Liberalization has brought about transparency in coffee payments and markets unlike the auction system in which they could not understand what was happening in the auction since it was an exclusive process. The system improved the coffee prices and hence the net earnings for the farmers have improved. This is because the middlemen reduced hence their payment to the previous marketing agents such as the auctioneers. Direct sales have also assisted in improving the cash flow and hence to some extent it has reduced the need for credits. Protection from the extreme fluctuation of prices due contracts with buyers in terms of supplies has reduced significantly (Mosonik, O.I., 18/7/2017); (Chelellege, K.I.I., 2/8/2017).
There are also emerging new requirements for participation in Nairobi Coffee Exchange following liberalization. Emerging new requirement is that only licensed coffee growers, commercial coffee marketing agent and traders shall participate on the floor of the Nairobi Coffee Exchange provided that the coffee marketing licence holders meet the minimum threshold manufacture of 2,000 metric tonnes of processed coffee. We noted that the minimum threshold is too high for the coffee cooperative unions not only in Kericho County but also for other coffee cooperatives in the country. According to the cooperative unions, to a large extent the move favours the commercial marketers. The minimum requirement works to 15,000,000 kgs of cherry which is too high for most cooperative unions. They therefore argued for the reduction of the minimum requirement to 1,500 metric tonnes which works to 11,250,000 kgs in which, most of the unions can achieve (Bii, K.I.I., 3/8/2017; (Too, 2017).

Liberalization, has led to a rise in the number of marketing agents who seek to buy coffee from the coffee cooperative societies which has not only led scramble for coffee among the buyers but also confusion within the coffee cooperatives sector on who to choose as a marketing agent. A cooperative official asserted: The new environment has led to the emergence of new marketing agents who seek to become middle men. These agents have increased the exploitation of members of cooperatives through the imposition of heavy tariffs. In most instances, members have been spoiled for whom to choose from (Tembur, K.I.I., 2/8/2017).

Marketing agents are expected to enable farmers get a better pay for their crops. However, these marketing agents who in most instances are multinationals have great financial muscle and have connection with international roasters and also local
companies. Farmers are therefore lured and receive payments of upfront advance which, by the end of it all makes the agents take control of the coffee indirectly. This problem has not only been noted in Kericho County but also noted in Central parts of Kenya. Moreover, the huge coffee network which has its roots at the international level and the colonial period has affected coffee prices at the local levels. At the apex we have the major coffee roasters and buying companies such as Germany’s Neumann, US’s Starbucks and Stump towns, Swiss’ Nestle, Kraft, and Sara Lee and Procter and Gamble. These companies have been opportunistic over the suspension of coffee quotas by the International Coffee Organization (ICO) to influence the world market and determine coffee prices which, according to Nation Newspaper (2015), farmers receive as little as six percent of the prices. There was a major drop in the world coffee prices following the collapse of ICO. The coffee production has since outstripped consumption since the free market economy led to the penetration of coffee giants in different countries such as Kenya and buying and stocking up coffee at low costs (Marindany, O.I., 28/8/2017); (Nation Newspaper, 2015).

Fragmentation of the coffee cooperative societies was also observed in Kipkelion. The lessening of the government control on coffee farmers’ cooperative societies created a loophole that led to fragmentation of the cooperative societies in the region. We observed that some members often move from one society to another while others have broken away to form their own smaller societies and as a result the scramble for leadership has been witnessed by the present leaders and members (Rugut, F.G.D., 14/7/2017).
Emergence of International Certification Standards which influence coffee markets has been noted. Growing public awareness mixed with the globalized articles of trade chains has led to high demand for commodities generated in compliance to private standards. These are being driven by, the growing global awareness for well-being and concerns for means of agro-food manufacture as well as quality. Standards that have emerged include, those concerned with the capacity to stimulate sustainable development, provide access to incentives to farmers presented as premiums and market access among other issues. Some of these standards are Rain Forest Alliance, Fair Trade, Utz certified as well as Coffee Organic (Giovannucci and Potts, 2008:4). Following the emergence of these standards, however, companies, policymakers, farmers as well as consumers have been thrown onto confusion since most of them have information deficiency on what it entails to be compliant with environmental, economic and social sustainability initiatives (Giovannucci and Potts, 2008:14-19).

An approximated, twenty million people globally rely on coffee production for their living, these being mainly those living in the rural setup. Therefore, information awareness is crucial at the field levels (Giovannucci and Potts, 2008:3). The report by United Nations Conference on Trade and Development (2007), points out the need for conformity with standards can be an obstruction for emerging countries to play a part in trade and can consequently led omission of small-scale producers from the worldwide supply chains. Fundamental information and expertise on means to handle social and environmental issues as well documentation is significant in ensuring profitability to producers and traceability of own investments. Further, it was observed that the expertise, expenditure on certification as well as proper record
maintenance as per the demands of the various standards calls for a lot of expertise in which most of the producers were lacking (UNCTAD, 2007:36-39).

First, we start with Fair-Trade and fair trade certification; fair trade certification programme as a system emerged in response to the coffee crisis in the late 1980s. This initiative was first launched by a Dutch NGO Solidaridad and a farmer organization. In 1997 the same organization created the Fair-trade Labelling Organization (FLO) an institution which puts in place fair trade certification standards, endorses and scrutinizes underprivileged farmers. Fair-Trade as institution also targets just prices for the producers (Sick, 2008); (Fair Trade Resource Network, 2016). It is alternative form of trade that seeks to ensure fair prices for the disempowered producers. It also ensures that the economic repayments are utilized to improve and uphold consistent improvement in the society (Lyon, 2006: 452-465).

Fair-Trade organization buys products only from the certified small holder farmers. In Fair-trade the importers are obligated to offer extensive agreements to small farmers that are jointly favourable to both importer and farmers. In addition producers receive premium for their products with organic certification and paid premium prices that is always above the market value (Lyon, 2006:452-465).

The beneficiaries of Fair-trade in this case must be a small group of producers. Such measures are put in place to promote and warrant solidity for small scale producers in unsteady market (Lyon, 2006:452-465). The top grades granted to farmers are targeted at heartening their economic practices. Fair-trade also serves other purposes such as an alternative for protectionism and free trade, ensuring healthy and safe

Secondly, we look at Coffee Kenya and Utz programmes of 2007-2008. Between 2007-2008 coffee season, Utz Certified, certification program was introduced in the cooperative societies by its marketing representative, Coffee Management Services (CMS), with the financial backing of Solidaridad, Netherlands and the Coffee Support Network. Once the management of the cooperative had endorsed the project, the idea was floated to farmers during the annual general meeting and agreed on. The project intended to improve coffee prices through premiums and market visibility. In spite of this, not all farmers supported the project and some eventually pulled out of the cooperative citing unilateral decision-making by the cooperative management (Chumba, O.I., 3/8/017).

One of the Utz endorsed vision is to realize continuous agricultural delivery chains, which meet demands as well as prospects of cultivators, consumer and food manufacturing. Given its comprehensive code of demeanor, the plan provides autonomous declaration of continuous manufacture (Utz Certified Website accessed on 22nd March, 2016). Farmers benefited through fully sponsored training (on good agricultural practices, book keeping, and coffee quality management), extension services, information technology, and cooperative society infrastructure (Langat, O.I., 2/8/2017).

Expenditure incurred in scrutiny for the official recognition is verified by the appropriate state certification organization and is determined by the timeline for
certification scrutiny to be undertaken as well as the conditions of the producer (Techoget, K.I.I, 2/8/2017).

Rainforest Alliance and Coffee Kenya are geared towards widespread continuous farm running. It is more viable and robust in ecological matter in comparison to Utz. It is also centered on estates and larger cultivators though this is presently on the shift. It has, however, been censured for permitting coffee bearing a range of 30 and 90 of approved produce to bear the trademark, thus weakening its outcome and giving the wrong impression to clients. Cultivators might obtain payment for bringing into being Rainforest Alliance approved coffee due to Rainforest Alliance certified coffee because of relations with superior quality. However, this is not a component of the system (Kilele, O.I., 3/8/2017).

Although quite rapid to put into operation, overheads linked to official recognition have been discovered to be soaring and unfit for small scale manufacture. Rainforest Alliance consent might result in ecological values like the preservation of natural environment (Kilele, O.I., 3/8/ 2017).

Coffee Kenya and Coffee Organic, Organic Coffee certification emphasizes on the ecology, and bears no social or economic repercussion. Furthermore, it is characterized by the need for rigorous labour and high level technical expertise. Besides, it is neither linked with superior taste nor superior quality, even given the ecological benefits. The cost and benefit analysis of this certification is highly situation explicit mainly determined by the modes of production that farmers apply (Bett, O.I., 3/8 2017).
In summary the discussed certifications have impacted greatly on the coffee cooperatives not only in Kipkelion but also in other parts of Kenya. To begin with, farmers, as well as the entire coffee sector have to comply with the requirements and the demands of the international standards.

In Kipkelion, the implementation of these International Standards have enabled the coffee cooperatives societies to gain opportunities that niche markets have to offer, improved coffee yields resulting from improved coffee quality, increased market access due to increased bargaining positions. Increased safety to farmers and factory workers, improved waste management, increased agro-forestry among other benefits. The RA certification has facilitated efficiency in farm business operations, promoted and enhanced farmers’ satisfactions.

Liberalization has also increased cartels in the coffee industry. Oral interviews revealed the many cartels within the coffee value chain. Farmers who are the owners of coffee are not recognized within this value chain. There is need for the government to link the coffee farmers with the coffee buyers. The traceability of the coffee chain should be transparent and accountable (Towett, K.I.I., 24/7/2017); (Yosei, K.I.I., 23/6/2017).

This has also been noted by Gitu (2012:23-24) who argued that liberalization policies led to withdrawal of key services by the government creating vacuity within the cooperative sector which in turn fuel fraud to pervade both macro as well as micro stages of coffee sector. The outcome has been shoot-up in corruption amongst cooperative societies, hence reduced member participation in coffee cooperatives and increased blame on the government.
There has been increased fluctuation in coffee prices following the shift of coffee marketing after the advent of liberalization. Some members argued that liberalization has led to increase in coffee prices whereas to some there is increased instability in coffee prices. This was revealed and illustrated through an oral interview. We established that initially farmers could sell their coffee at the cost of Ksh.7 per kilo, with the emergence of millers and marketing agents’ changes have been witnessed. Coffee is now being sold using the US Dollar as opposed the Kenya shillings at the Nairobi Coffee Auction. Improvement of the coffee prices has been gradual from the lowest of 7 shillings per kilo in the 1980s to 30 shillings and finally to 40 shillings per kilo in the year 2012. Changes in coffee prices have in turn led to an increase in coffee growing. Some farmers have opted to grow coffee in place of maize. The sale of coffee via millers and by the US dollars has contributed to the increase in coffee prices unlike before when farmers would sell their coffee through the KPCU. Sale of coffee through the KPCU was characterised by manipulation of the coffee prices. Farmers had no idea of how sales were done or the prices their coffee fetched at the auction. Farmers were never involved in most of the decision-making process nor were they allowed to question the outcome (Murusoi, O.I., 3/8/2017).

This argument resonates with Mude’s (2006:12) sentiments who notes that since the year 1990 when the Kenyan government reduced its power on coffee-selling, coffee marketing has swung from a state-managed venture to market focused model. This model has empowered coffee cooperatives to select their marketing agents unlike the previous model when most cooperatives had no choice but to put up for sale their coffee to KPCU. Moreover, a section of coffee can be sold directly to exporters
hence by-passing the auction. Nevertheless, more coffee marketing agents are allowed to sell coffee. Their numbers has multiplied to a total of twenty five from the initial three (Mude, 2006).

Fluctuation of coffee prices has also been witnessed following the emergence of a high number of marketing agents and millers. Different marketing agents offer different prices and different tariffs. This has also increased competition among this intermediaries resulting in increased corrupt practices as in most instances they strive to engage in unfair practices such as buying farmers or management support. This in most instances discourages coffee farmers. They propose solutions such as the need for partnership between the county governments and unions in order to look for coffee markets. Other alternatives are the need for the national government to come up with a brand name to market Kenyan coffee (Koibosot, O.I., 2/8/ 2017).

Fluctuation of coffee prices has negatively coffee cooperatives in terms of profit gain. Low coffee prices often result in low income generation by coffee cooperative. We established that fluctuation in coffee prices reduces the power of coffee cooperative to compete effectively at the coffee markets and as a result income generation becomes low during these seasons and income to coffee farmer is also reduced (Mitei, O.I., 2/8/ 2017).

The year 2012 was a turning point for the coffee cooperative societies in Kericho, Nandi and Bomet counties. The emergence of a new milling plant in the region has contributed to increased security and reduction of transport cost. Previously, farmers were forced to transport their coffee to a milling plant in Ruiru, Thika which made them to incur a lot of costs. Their losses amounted to 25% of their crop value and at
times their cherries would be hijacked by criminals along the way leading to deaths and losses through theft. The establishment of the coffee milling factory came as a result of efforts of 40,000 coffee farmers belonging to thirty two coffee cooperative societies from Kericho, Nandi and Bomet Counties (Ruto, O.I., 25/6/2013); (Bokwo, O.I., 2/8/2017). They came together and formed one union, Kipkelion District Cooperative Union Limited that enabled them to establish one milling plant, Kipkelion Coffee Milling Plant. The milling plant is located in Forternan area, Kericho County. The coffee cooperative societies raised Ksh. 18 million for the purchase of coffee milling machines (Koech, O.I., 2/8/2017). They also borrowed Ksh. 40 Million from the bank to put up coffee factory structures (Cherobon, O.I., 2/8/2017). The coffee milling plant has been operational since the year 2012 and has contributed to reduction of the milling losses by 25 percent to 17 percent. The General Manager Sammy Too is quoted saying this to the Kenya Standard Digital News in July, 2013, in an interview “In the history of coffee milling in Kenya, we are the only factory which registered the lowest percentage of losses”. He further revealed that since the milling began its operation in January, 2012, they had received a total of 1, 202, 900 kilos of parchment coffee. By July 2012 they had milled 1, 044, 627.30 kilos leaving a balance of 158, 272.70 kilos to be milled. The milling charges is $60 which is equivalent to Kshs 5,220 per tonne which he said was one of the lowest in the country (Ruto, O.I., 4/6/2013); (Chumba, O.I., 2/8/2017).
4.3 From Koisagat Land-purchase Company Limited to Koisagat Farmers’ Cooperative Society

The successful transfer of ownership to Africans of Koisagat Farmers’ Cooperative Society was completed in the late 1980s (Machukei, K.I.I., 3/8/2017). The pioneer members of Koisagat had taken a loan from AFC amounting to Kshs 147, 213 earlier in 1975 (KNA.Kericho district Annual Report, 1975). A cooperative official in Koisagat area stated:

Members completed loan payment to AFC in 1986 and that is when the ownership was transferred to Africans. The land was not physically fragmented into boundaries but rather it is owned as a whole among these members according to shares contributed to loan payment. They also inherited some of the coffee trees previously owned by the settlers (Chepkolei, K.I.I., 3/8/2017).

Indeed these sentiments agree with (KNA.Kericho District Annual Report, 1971) which states:

As many people registered their land and obtained land title they made use of them by mortgaging them for loans. These loans were granted to farmers by the Commercial Bank and the Agricultural Finance Corporation, the period of repayment was four years (KNA.Kericho District Annual Report, 1971).

Other factors that contributed to the rise of the society included members’ desire to propagate their own values, as well as be the decision-makers on matters affecting them. Secondly members wanted to benefit collectively from the society through sale of coffee as a pool and hence realize economic benefit as opposed to one individual. Thirdly, the cooperative was viewed as an avenue of change. It was geared towards improving the livelihood of the members and the standard of living. Moreover, coffee cooperative was seen as a mouthpiece of the organized group that would enable them to speak with one voice in different fora on issues affecting them (Keiyo, F.G.D., 14/7/2017).
During the years of its establishment, farmers were forced to take their coffee to Chepkitar Farmers’ Cooperative Society for processing. This is because the members of Koisagat Cooperative Society did not have their own factory given that, the previous factory owned by the first settler had been demolished by the second settler named Grant. Between 1995 and 1996 the members of Koisagat received a loan from SCIP11 (Smallholder Coffee Improvement Project) that enabled them to construct their own factory. The factory has two discs pulpier. From its establishment, there has been an increase in its membership (Koisagat Farmers’ Cooperative Society Development Plan for 2012).

The factory draws its name Koisagat from the Kipsigis dialect which means divided hills. Koisagat is situated five kilometers North of Forternan town. It is located in Koisagat Sub-location, Chilchila Location, Chilchila Division in Kipkelion Sub-county, Kericho County (Soye, O. I., 18/7/2017); (Koisagat Farmers Society Development Plan for 2012).

According to Koisagat Farmers Development Plan for the year 2012, the chief objective of the society has been to promote the general welfare of its members as well as promote economic interest in accordance to the cooperative principles and values. Other objectives include:

To arrange for cooperative processing, grading, transporting and marketing of coffee and all such other operations as may be necessary for profitability of the member. Indeed, this goes hand in hand with the requirement of the laws of Kenya where small-scale farmers who are categorized as smallholder are obligated to process and
market their coffee through cooperatives. Furthermore, through cooperatives farmers are able to access key services (Nyangito, 2001).

They also arrange for the purchase and resale of machinery, material and other requirements of such activities with non-members on such terms and conditions as agreed upon by members at the general meetings (Kirui, K.I.I., 23/7/2017).

The society is also geared towards promoting cooperation and good will between members and the society as well as working toward cooperating with other cooperatives in order to promote members interests in the furtherance of these objectives, the society may affiliate to cooperative unions and apex societies (Kirui, K.I.I., 23/7/2017).

Members of the society consists of the original members who signed the application for registration and also the members who have subscribed for shares in accordance to the by -laws and whose names are entered in the members register (Mursai, K.I.I., 23/7/2017). The society had a share capital of Kshs 316,745 by 2012 (Koisagat Farmers Development plan for the year for 2012). The society’s leadership consists of the Management Committee, the Supervisory Committee, the Staff Members and the Field Committee (Koisagat Farmers Development plan for the year 2012).

4.4 Kapngetuny Farmers’ Cooperative Society 1985 – 2012

4.4.1 Origin, Growth and Operations

Kapngetuny Farmers’ Cooperative Society was officially registered as a society on 27th June, 1985 by the Ministry of Cooperative Development and Marketing. The society was registered under registration certificate: No. CS 4376 (Kapngetuny Farmers’ Cooperative Society Limited Profile, 2016).
Apparently the society is managed by nine management board members drawn from nine electoral zones. The internal control system is done by three member team of supervisory committee members elected through the annual general meeting. To ensure good agricultural practices, the society has got nineteen zones each represented by a zone leader (Kapngetuny Farmers’ Cooperative Society Limited Society Profile, 2016); (Maina, F.G.D., 4/8/2017); (Binu, K.I.I., 24/7/2017).

The membership requirement for the society includes, one being a member from the nineteen zones, compliance with the certification standards and one having attain eighteen years of age (Kapngetuny Farmers’ Cooperative Society Limited Society Profile (2016); (Maina, O.I., 18/7/2017).

At its establishment, the society had a membership of the thirty people. Its initial production was 12,000 kilos of coffee berries. Membership has gradually increased over the years which comprise of both the male and female members (Kisiara, K.I.I., 14/7/2017); (Kapngetuny Farmers’ Cooperative Society Limited Society Profile, 2016).

Through our interviews with a cooperative official we established that Kapngetuny Coffee Farmers Cooperative Society came into being at the early 1980s (Kiprugut, O.I., 16/6/2017). A cooperative member in a focus group discussion stated:

During this period, farmers in the region had discovered the value of coffee unlike before in the early 1960s when there was no interest. Attention was largely on the desire for land ownership. Most of the pioneer members had already begun growing coffee and moreover they sought to also inherit the coffee plantation and the coffee factory that had been left behind by the departing settler (Tore, F.G.D., 14/7/2017).

Several factors led to the emergence of Kapngetuny Farmers’ Cooperative Society. First was the need for joint marketing of coffee. This was one of the key factors that
led to the formation of this society. Joint marketing was the only option at this time given that one farmer could not afford to market coffee individually. Indeed, one of the cooperative officials stated:

Joint marketing was necessary for the Africans because during the initial formation of the society, most of the members had little idea on coffee markets and at the same time none of them had individual factory or enough tones of coffee berries to be processed. Cooperation was therefore the only option that would enable them to market their coffee and as well manage the society (Kilel, K.I.I., 24/7/2017).

Furthermore, we establish that most of the coffee farmers could not afford to market our coffee individually because they could not meet the tonnage requirements. They therefore opted to form Kapngetuny Farmers’ Cooperative Society. This has enabled them to meet the tonnage requirement and they now market their coffee through joint ownership of the society. Since then, they have been able to realize better payments (Baigong, F.G.D., 14/7/2017).

Gamba and Komo (2012:2) noted that at inception, cooperatives were geared towards providing a platform for marketing and processing of crops by the small-scale farmers, work which they emphasized would not be accomplished if left out to an individual small-scale farmer. Equally, cooperatives enable the small scale farmers to jointly acquire farm resources such as farm inputs in large bulk and at a reasonable rate (Chemosit, F.G.D., 14/7/2017); (Sitonik, K.I.I., 12/6/2017).

Furthermore, the necessity for joint income was another driving factor in which one of the cooperative official in Kapngetuny argued that:

Having joint income would enable them to pool resources jointly which at this time were scarce following the departure of the white settler. The startup capital for instance was a challenge due to lack of technical knowhow (Kitore, K.I.I., 12/6/2017).
Indeed, at this time, it was mandatory for each settler to belong to a cooperative society within his/her area. Cooperative societies empowered them to raise money and also complete payments something that also applied to Africans as well (Ibid).

The desire for own identity and own leadership was another driving force. Independence brought about social, economic and political transformation which in turn pioneered new course of development. The transfer of leadership from the white people to Africans was a significant event. It marked changes in leadership not only at the top but also to the local level. Africans took over leadership positions from their departing settlers (Mursi, F.G.D., 14/7/2017). Within the cooperative movement own-leadership was significant in addressing issues emerging from the respective cooperatives. Cooperation would also enable them to speak with one voice in matters affecting them and in various forums (Cherono, F.G.D., 14/7/2017).

Kapngetuny Farmers’ Cooperative Society Limited pursues three main objectives. First it endeavors to alleviate poverty and improve on member’s living standard. Secondly, the society functions to disseminate knowledge to the farmers on good agricultural practices. We indeed establish that the area agricultural officers often, inspect coffee bushes as well as train members on coffee management in the farms which ensures quality coffee. Farmers who follow good agricultural practices have always gotten better yields (Chemutai, K.I.I., 12/6/2017). This goes hand in hand with constitutional requirements where famers are entitled to access to information, input supply and provision related issues. In Kipkelion, Kericho County, this has been done through agricultural training of farmers through seminars and through the county agricultural officers. One of the coffee farmers in Kipkelion stated:
They attend agricultural seminars where they learn more about coffee farming. More often they emphasize to farmers on the significance of obtaining seedlings from their own factory farms. These seedlings are normally high-yielding and this has improved their living standard due to higher income. They also have agricultural officers who visit their farmers frequently and demonstrate on coffee bush management skills (Chelelei, O.I., 1/8/2017).

Thirdly, Kapngetuny Farmers’ Cooperative society is focused in ensuring quality and quantity in coffee production at lower production cost, and observance of integrity and transparency (Chebolei, K.I.I., 12/6/2017). This can be achieved through technology adoption which promotes efficiency for maximum welfare gains to farmers and households (Deininger, 1995); (Fulton and Sanderson, 2002). Cooperatives further helps in costs reduction and in enhancing their negotiating power of smaller farmers (Kherallah and Kirsteen, 2001).

The society has received several awards, trophies and computers from different institutions for being the best managed society in the County and for producing quality coffee. These awards include, UTZ certificate, Fair-Trade International, FLO certificate. Computers were received from Quality Coffee Production and Commercialization Support Programme (Kapngetuny Farmers’ Cooperative Society Profile, 2016).

4.4.2 The Emergence and Achievements of Kipkelion District Cooperative Union Limited

Kipkelion District Cooperative Union Limited was registered in 25th September, 2009 with the Registration Number 1,228. The Union brings together 32 coffee cooperative societies from Nandi, Bomet and Kericho counties (Too, K.I.I., 1/8/2017).
The Union since establishment has been achieved the following: First, it has provided timely advice on good coffee husbandry, processing, transportation, packaging storage of coffee and marketing to the coffee cooperatives under its umbrella. Secondly, it has successfully undertaken several coffee research and all matters related to the coffee industry through training and education for affiliates Staff, General Membership and Management Boards (Too, K.I.I., 23/7/2017).

Through the establishment of the coffee nurseries at the Kipkelion Coffee Mill, the union has supplied farmers with high-yielding coffee seedlings which have improved on coffee production and coffee quality (Too, K.I.I., 23/7/2017).

Furthermore, the union has undertaken centralized accountancy and book keeping of its affiliates at minimal costs and has acted as an umbrella organization of its affiliates. It has also played a role in lobbying, advocacy and arbitration in all matters affecting the coffee industry in the region (Kirui, O.I., 23/7/2017).

4.5 Summary

In a nutshell, this chapter looked into the effects of liberalization on coffee cooperatives societies in Kipkelion, Kericho County between 1991 and 2012. We established that indeed liberalization has impacted greatly on the functioning of the coffee factories and the coffee cooperatives. Coffee factories and cooperatives have become more competitive due to entry of new players in the market as well as improved management of societies resulting from increased farmer’s participation in cooperatives management. This has largely been facilitated by their elected representatives. Farmers have also contributed significantly in the functioning of coffee cooperatives through decision-making. Increase in the quantity of coffee has
also been witnessed. Coffee cooperatives have also been affected negatively by liberalization, for instance, increased fluctuation of coffee prices and the rise cartels in the entire coffee industry, fragmentation of major coffee cooperatives, leadership wrangles among other issues.

Olson’s, Collective Action theory emphasized on the need for cooperative organization, to strive for independence and autonomy while engaging with other organizations and the state authorities. This is mainly because cooperatives are generally dependent on individuals and their environment to protect their collective action and self-identity. They thus have to avoid being directly drawn into political and social conflict which is a threat to unity, membership, and agreements. These ideas have been used to analyze the impact of SAPS and liberalization on the coffee cooperatives in Kipkelion following liberalization of the coffee sector in the 1990s and the introduction of SAPs in 1980s. Liberalization of the coffee cooperatives became a threat to their survival. This was following the withdrawal of government financial and technical support on coffee cooperatives. This is because collective action theory emphasizes autonomy and independence of cooperative societies for them to be successful. Lack of independence and autonomy is a threat to cooperation.
CHAPTER FIVE
SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction
In this chapter, we discuss the results of the study, present the conclusions and recommendations.

5.1 Summary
This study focussed on the evolution and growth of coffee cooperative societies in Kipkelion, Kericho County in the period 1923 to 2012. In Chapter one we presented the setting upon which this study was grounded and contextualized. The setting points out Europe as the birth place of the cooperative movement whose take off was sparked by the Industrial Revolution in Europe in the early nineteenth century. The cooperative movement at this time was shaped by social and economic forces that emerged in response social stresses of that time, evolution of market based economy among other factors.

In Africa and Kenya, the formal form of the cooperative movement was born during the colonial era. It is from Europe that the idea is transferred to Africa during the colonial era having been stirred by the desire to bring social-economic changes during this period and hence formed a major component of modernization. It is important to note that Africans had their traditional forms of cooperation even before colonialism. Colonialism transformed traditional forms of co-operations into the formal forms. The formal cooperative movement that was introduced in the African continent was a replica of the European form. In Kipkelion, among the
Kipsigis traditional forms of cooperation existed that we believed laid foundation for the emergence of the formals forms of cooperation after independence.

In chapter one, we established that despite the several studies that have focussed on the cooperative movement in Kericho County and in Kipkelion, little historical studies have been studied and documented on coffee cooperatives societies and specifically on their historical growth, transformation over time and their changes in response to the introduction of structural reforms in 1980s and liberalization in the coffee sector in the 1990s. Therefore, there was a necessity to find out the current state of coffee cooperatives societies in Kipkelion. This study was guided by the following objectives: To trace the emergence of coffee cooperative societies in Kipkelion from 1923 to 1963, to examine the factors that shaped the growth of the coffee cooperative societies in Kipkelion in 1964 – 1980, to analyze the changes in the coffee cooperative societies following the introduction of SAPs and the liberalization of coffee sector between 1981 – 2012.

This study sought to answer the following research questions: What factors informed the emergence of coffee cooperative societies in Kipkelion in the period of colonialism of 1908-1963? Secondly, to what extent did the policies introduced in the coffee sub-sector in the period 1964 – 1980 shape the growth of coffee cooperative societies in Kipkelion? Thirdly, how did the introduction of Structural Adjustment Programmes and liberalization of the coffee cooperative sub-sector between 1981 and 2012 affect the coffee cooperative societies in Kipkelion?

This study was carried out in Kipkelion, Kericho County. Kipkelion was chosen as the area of the study because, Kipkelion was the place where the initial cooperative
movement was fore-most established in Kenya in 1908. The year 1923 was chosen as the starting point for the study because it was the time when the earliest coffee company was established in Kipkelion. 2012 was chosen as an end-point because it was the year when coffee cooperatives from Kericho, Bomet and Nandi counties united and formed one union. The limitation section indicated that sourcing both archival and secondary sources on the history of coffee cooperatives in Kipkelion was a challenge.

It is also within chapter one that, we have discussed the literature a review and the theoretical framework. A review of existing literature indicated the several gaps to be filled in the study of coffee cooperatives. The review of these literatures revealed the several historical studies that have been studied on the cooperative movement globally, in Africa and in Kenya. However, most of these studies have focussed largely on nationalistic discourse of analysis as opposed to localised studies. Moreover, there are scarce historical studies and documentation of coffee cooperatives in Kipkelion, Kericho County that have focussed growth, transformation and the effects of liberalization on coffee cooperatives. Nevertheless, the coffee cooperatives have been studied alongside other cooperatives with scarce documentation. It was this ground that we set-out to examine the evolution and growth of coffee cooperative in Kipkelion, Kericho County. This study is significant to the government, policymakers and researchers and the coffee cooperatives especially in understanding the origin and historical transformation of coffee cooperatives in Kericho County. It is also significant in comprehending the effects SAPS and liberalization on the on coffee cooperatives. This study applied group and collective action theory to discuss the concept of cooperation, to explain and trace
the history of coffee cooperatives in Kipkelion as well as discuss the changes in coffee cooperative societies following the introduction of SAPs in 1980s liberalization of the coffee sector in 1990s. We established that the coffee cooperative emerged because of cooperation of coffee farmers who wanted to benefit jointly through the pool of the few economic resources. We also observed that for the coffee cooperatives to be efficient they have to maintain independence and autonomy which is true according to the tenets of these theories. The lack of independence and autonomy has been the biggest challenge for most of the coffee cooperatives, political interference has been inevitable and these explain the crisis and challenges faced by the coffee cooperatives following structural reforms and liberalization of the coffee sector.

This chapter one also contains the research methodology that guided this study. Historical research design was applied in the analysis of the findings. The study targeted male and female members of eighteen years and above. These comprised of the coffee farmers, the cooperative officials among others. Purposive and convenience sampling techniques were used in selection of the participants for the study. A sample size of 100 respondents was used to generate primary data. These comprised of seventy two respondents who were interviewed and twenty eight who participated in FGDs. Secondary and primary sources of data were the main research instruments. The researcher also obtained research permit from post-graduate school of Kenyatta University, NACOSTI, and the County Commissioner as well the Kipkelion District Cooperative Union manager. The findings of the study were presented with honesty and all sources of information were acknowledged.
Chapter two traced the origin of the coffee cooperatives in Kipkelion, Kericho County from 1923 to 1963. It was revealed that colonialism, led to the introduction formal cooperative movement in the region and the earliest cooperative movement in Kenya was first established in Kipkelion, Kericho County in 1908. Lumbwa Farmers Association was the earliest having been formed by the colonial settlers. Africans at this point had been banned from forming and participating in the cooperative movement. The earliest coffee companies were the Almora Estate Company Limited and Chepkechei Company Limited. There emergence were linked to colonial settlers of Italian origin. They were formed for the purpose of wet processing and marketing of coffee overseas. The rise of the coffee cooperative societies in Kipkelion, Kericho County was attributed to both colonialism and missionary activities in the area in the early 1930s that saw the introduction of coffee as well as coffee marketing institutions. The emergence of coffee cooperative are closely linked with the evolution of coffee farming in Kipkelion. Coffee farming among Africans began in 1957.

Chapter three interrogated the transformation of the coffee cooperative societies between the periods 1964 to 1980. Factors that shaped and informed their changes are discussed in detail. It was established that coffee cooperative societies in Kericho County underwent transformation following the attainment of political independence in Kenya. The attainment of political independence brought about social, economic and political changes that in turn resulted in the transformation of the smallholder agriculture that consequently transformed the coffee cooperative societies. Structural changes in the smallholder agriculture in Kenya began with the structural changes in landownership that saw the re-location of land from the white
farmers to the Africans. In Kipkelion, Kericho County the transfer of land ownership was triggered by the formulation and the implementation of the Swynnerton Plan of 1954. The process of Africanization took a snail pace. Most of the colonial settlers were reluctant to give up the land they had alienated. Africanization began later in 1970s following fierce resistance from the Africans. The transfer of land ownership was initiated by African elites and elders. The transfer involved the formation of land-purchase companies a case in point Koisagat Land Purchase Company. Apart from these structural changes in land ownership, the Government of Kenya introduced significant changes in the coffee cooperative sector such as the provision of extension services through the Coffee Research Foundation, setting up of the Cooperative Bank, setting up of the Smallholder Improvement Project one among other aspects. These changes consequently brought about changes in the grass-root coffee cooperatives in Kenya and such were experienced in Kipkelion Kericho County. There was rapid formation of African-owned and led coffee cooperative societies and a good example was the Koisagat Farmers’ Cooperative Society, Kapngetuny Farmers’ Cooperative society among others.

Chapter four focused on the effects and changes brought about by the structural reforms and liberalization on the coffee cooperative societies in Kipkelion, Kericho County between 1981 – 2012. It was established that between 1981 and 2012 the coffee sector was reformed. Several policy changes were undertaken. These reforms were geared towards reversing production which was declining, streamlining coffee marketing, processing and handling institutions. Reforms within the institutions were aimed at enhancing coffee payment to farmers, reducing excessive processing, handling and marketing costs. We established that following liberalization in the
1990s, coffee factories and coffee cooperatives were drawn into competition among themselves and other firms which was resulting from entrance of new firms into the coffee sector. Moreover, the coffee factories and the coffee cooperatives have been obliged to streamline their operations to cope with the competition. Farmers on the other have been playing a significant role through decision-making in matters affecting their societies and in the management of their societies and factories through the elected representatives. Relieve from monopolistic tendencies from the former Kenya Planters Cooperative Union on the coffee cooperatives especially in unilateral price determinations was reduced. The idea of liberalization was interpreted differently hence resulted in increased coffee-hawking and theft among other issues. The introduction of the second window channel which is commonly referred to ‘Direct Sales’ opened more market opportunities for the coffee cooperatives. The fluctuation of coffee prices is still a challenge and coffee cooperative continue to invest in coffee husbandry with the hope to maintain coffee quality which will in turn ensure their coffee remain competitive in the market and in return will result in better prices.

The establishment of the Kipkelion Coffee Milling Plant as well as the emergence of International Standards such as Rain forest Alliance, and Fair-trade and Coffee Organic which influence market access has ensured that coffee cooperative in Kipkelion produce coffee of high quality and in compliance to International Standards.
5.2 Conclusions

The following conclusions were made:

The study did note that the modern cooperative movement owes its origin to the nineteenth century in Europe. It was this cooperative movement that was later exported to other parts of Europe and Africa. In Kenya the study has further noted that the emergence and the formation of coffee cooperatives and cooperatives was catalyst by colonial economic policies that were discriminatory in nature towards Africans. The development of the cooperative movement in Kenya occurred in two phases. The first phase begins from the 1920s to 1963. We noted that this phase was marked by the emergence of the settler cooperatives that served the settler economic interest and that of the colonial government and the settlers. African participation in the coffee cooperatives at this period was limited with their role being designated to largely casual labour which entailed clearing of bushes for establishment of coffee plantation, loading and off-loading of agricultural products and learning merely through observation of activities of the white settlers. From 1944 to 1960s policy shift towards African participation in the cooperative movement was acknowledged. This emerged from the appointment of first African to the Legislative Council Eliud Mathu, who used the platform to mobilize for the participation of Africans in the cooperative movement. The colonial government ban of African participation was lifted and saw the formation of African cooperatives. In Kipkelion, African coffee farming began in 1957. The Kipsigis Coffee Growers was also formed at this period.

We established that colonial economic policies were instrumental in the emergence and growth of settlers coffee companies prior to independence. Settler dominance in the cooperative sector in Kipkelion continued into Kenya’s independence. African
elite became instrumental in the rise African of cooperatives notable was Taitaa Towett.

The attainment of independence brought in a lot of optimism among Africans. It was hoped that it was going to end social and economic problems that existed in the colonial era. We noted that the government involvement in the management of the cooperative movement continued. Africanization was the first step towards ensuring full participation of Africans in the cooperative movement. In the case of coffee cooperatives, Africans in Kipkelion had to form farm-purchase companies in order to mobilize fund to acquire land from the departing colonial settlers. Koisagat Land-Purchase Company Limited was one prominent company that inherited coffee farms from Warrant Douglas in 1964. Chepkechei Company Limited was also transferred to Africans in 1977.

Coffee cooperatives were transformed in the periods between 1964 – 1980. This was largely driven by government role in its effort to make cooperatives important tools in bringing social-economic development in rural parts of Kenya. The government socio-economic policies as well as community interests were instrumental in the growth and expansion of the coffee cooperative sector in Kipkelion. One of such significant effort was the acknowledgement of cooperatives in Sessional Paper Number 10 of 1965 and the creation of a distinct outline for the entire cooperatives system in 1966. This was through the Societies Act, Cap.490. The government therefore directed and managed cooperatives from the top and directed their formation. It was between 1964 and 1980 that African ran coffee cooperative and other producer cooperatives came into being in Kericho County that focussed on marketing agricultural produce.
We observed that Structural Adjustment Programmes and liberalization of the sector in the period of 1981 - 2012 greatly affected the growth and productivity of the coffee cooperative societies in Kipkelion. The emergence of policy reforms and liberalization in the 1990s in the coffee sector was hoped to end institutional problems facing coffee cooperatives in Kenya. It was expected that the reforms in processing, handling and marketing of coffee would reduce production cost and stabilize coffee prices. This was never the case on the coffee cooperatives in Kipkelion continue to incur high production cost in coffee processing. Cost incurred in transportation of coffee to Ruiru and Thika coffee mills however reduced. Other hidden continue to cause farmers to receive less income which include high operational costs. Coffee prices keep fluctuating due to the emergence of more marketing agents. The emergence of liberalization has seen constant merging and mutation of coffee cooperatives to an extent that there has been the rise of leadership wrangles. Confusion among the coffee farmers on the coffee cooperatives to join is rising. We established that liberalization has made the coffee cooperatives to be more competitive in the coffee market.

5.3 Recommendations

In order to address some of key challenges facing coffee cooperative societies in the Kipkelion, Kericho County and the entire smallholder coffee cooperative sector the following recommendations were proposed. It is important to emphasize that much of the existing challenges facing coffee cooperatives in Kipkelion are largely on unstable coffee prices, high costs of production, shifting trends in the coffee markets, old outdated coffee bushes, and the lack of transparency in the coffee value
chain among other issues. Therefore the recommendations were made in reference to the noted challenges.

First, we established that the emerging coffee cooperatives are crippled by inadequate funds to run their day to day affairs. This has led to inadequate farm inputs for coffee farmers. This in turn affects quality and production leading to low earnings to the coffee farmers. Therefore, there is need for the government to subsidize farm inputs, establish farm-inputs stores like the previous Kenya Farmers Association and coming up with financial institutions which are friendly to the farmers in terms of costs of funds.

Secondly, the study recommends the creation of a forum for the coffee cooperative societies to tackle universal interests. We established that the government indeed plays a significant role in policy formulation; however some of these policies affect the coffee cooperatives negatively especially where little consultation is done with the key stakeholders. The study recommends a two-tier Council at the National as well as at the County administrations with specified mandates be established. The Coffee Council will include both private and government representation.

Thirdly, liberalization of the coffee sector continues to create uncertainties in income generation among the coffee farmers and coffee cooperatives. The coffee sector reforms of 2001 that granted the coffee cooperative freedom to establish themselves has led to increased fragmentation of the major coffee cooperative and emergence of small uneconomic cooperatives. This in turn has led to increased costs in processing. This according to most farmers is accruing from hidden costs that contribute to massive deduction of their proceeds. The coffee cooperatives costs
should be reduced in order to achieve production efficiency at growing and production level. It is proposed that coffee cooperative factories should aim towards being efficient business that will manufacture coffee products at lower cost than their competitors. Therefore, there is need for the re-evaluation of the managing and functions of the coffee industry institutions. The study proposes that the industry consultants should re-examine the governance, charges and levies, managing and activities of coffee cooperatives sector along with organizations in order to perk up outcome to coffee farmer. Promotion of the use of labour cost-saving technology for instance mechanization, negotiations for concessionary power tariff rates or use of alternative power sources and replacement of old and unproductive coffee bushes with high yielding and superior clones.

The coffee cooperatives and factories should also aim at developing its capacity in terms of human capital and infrastructure in order to maintain a competitive edge in the global coffee industry. Human capital development will entail training in human capital development in value addition and product diversification. Training and human development in blending, branding and packaging of products for both East African region and export markets is urgently needed.

5.4 Areas of Further Research

The nature of coffee sector in Kenya remains a critical area of study for scholars. The study recommends the following areas for future research in the coffee sector; Policy formulation and funding in the coffee sector.
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KNA.DC/KER/1/6: South Lumbwa District Annual Report 1933
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KNA.DC/KER/1/8: Kericho District Annual Report 1935
KNA.DC/KER/1/9: Kericho District Annual Report 1936
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KNA.DC/KER/1/29: Kericho District Annual Report 1956
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KNA Kericho District Annual Report 1969
KNA Kericho District Annual Report 1970
KNA Kericho District Annual Report 1971
KNA Kericho District Annual Report 1972
KNA Kericho District Annual Report 1973
KNA Kericho District Annual Report 1974
7.0 APPENDICES

Appendix I: List of Respondents

These were the records that that we generated in the area of the study between June and August 2017. These consist of interviews, individual accounts, and discussion groups. The researcher has listed them and organized them according to the individual providing the information.

i) Key Informant Interviews

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<th>Age</th>
<th>Place</th>
<th>Date</th>
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**ii) Focus Group Discussions**

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iii) Oral Interviews

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<td>60</td>
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<td>Kiprotich Festus</td>
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<td>16&lt;sup&gt;th&lt;/sup&gt; June, 2017</td>
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<td>Ngok Peter</td>
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<tr>
<td>Name</td>
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<td>Location</td>
<td>Date</td>
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<tr>
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<td>Milgo Eshter</td>
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<td>Terer Philip</td>
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<td>1&lt;sup&gt;st&lt;/sup&gt; August, 2017</td>
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<td>Chelelei Doris</td>
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<td>1&lt;sup&gt;st&lt;/sup&gt; August, 2017</td>
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<td>Cheruiyot Antony</td>
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<td>Mitei Jonah</td>
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<td>Kapngetuney area</td>
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<td>Cherobon Ann</td>
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<td>2&lt;sup&gt;nd&lt;/sup&gt; August, 2017</td>
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<td>Roret</td>
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<td>Marindany Enock</td>
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<td>Roret</td>
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## Appendix II: STUDY BUDGET

<table>
<thead>
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<th>Materials/Services</th>
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<tr>
<td>Laptop</td>
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</tr>
<tr>
<td>Photocopying, typing, printing, binding</td>
<td>20,000</td>
</tr>
<tr>
<td>Transport 30 days</td>
<td>40,000</td>
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<tr>
<td>Accommodation for 30 days</td>
<td>75,000</td>
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<td>Research assistant</td>
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<td>Literatures</td>
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<tr>
<td>Miscellaneous</td>
<td>30,000</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>320,000</strong></td>
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Appendix III: THE RESEARCH AREA
Appendix IV: INTERVIEW GUIDE FOR THE COOPERATIVE OFFICIALS AND COFFEE FARMERS

Gender: Male ( ) Female ( )

Age: 18-35 ( ) 36-60 ( ) 60 and above ( )

Name…………………………………………………………………………………………………………………………

Profession……………………………………………………………………………………………………………………

Location……………………………………………………………………………………………………………………

1. When was coffee introduced in Kericho County, Kipkelion area? And who introduced this coffee?

2. How was coffee produced and marketed done during the colonial era? Describe

3. What factors led to the rise of the coffee cooperative societies in Kipkelion, Kericho County during colonialism? Describe

4. Which were the earliest coffee cooperatives in Kericho County and who were the founders?

5. When were the coffee cooperatives societies registered?

6. What were the goals of the coffee cooperative societies?

7. What were the objectives of the coffee cooperative societies?

8. Have the objectives been achieved? If yes, what achievements have been made?

9. If no, what factors hampered the achievement of the objectives?

10. What issues shaped the growth and development of the coffee cooperative societies in Kipkelion in the period 1964 to 1980?

11. What are some of the key changes on the coffee cooperative societies since their establishment?
12. What are some of the issues/trends that have brought the changes in the coffee cooperative societies in Kipkelion, Kericho County? Explain them.

13. In your opinion do you think the coffee cooperative societies have brought development to the local people? If yes; what are these developments and if no explain.

14. Did the introduction of Structural Adjustment Programs and liberalization of the coffee sector in 1990s affect coffee cooperative societies in Kipkelion, Kericho County? If yes explain how and if no explain.

15. How has the liberalization of Kenya’s economy affect the coffee cooperative societies in Kipkelion, Kericho County?

16. What are some of the challenges faced by coffee cooperative societies in Kipkelion, Kericho County following liberalization of the coffee sector? Describe them.

17. Describe the current trends in the coffee cooperative sector in Kericho County.

THANK YOU
Appendix V: A QUESTION GUIDE FOR THE COOPERATIVE OFFICIALS AND COFFEE FARMERS

Gender: Male ( ) Female ( )

Age: 18-35 ( ) 36-60 ( ) 60 and above ( )

Name………………………………………………………………………………………………………………..
Profession………………………………………………………………………………………………………
Location…………………………………………………………………………………………………………

1. When was coffee introduced in Kericho County, Kipkelion area? And who introduced this coffee?
2. How was coffee produced and marketed done during the colonial era? Describe
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4. Which were the earliest coffee cooperatives in Kericho County and who were the founders?
5. When were the coffee cooperatives societies registered?
6. What were the goals of the coffee cooperative societies?
7. What were the objectives of the coffee cooperative societies?
8. Have the objectives been achieved? If yes, what achievements have been made?
9. If no, what factors hampered the achievement of the objectives?
10. What issues shaped the growth and development of the coffee cooperative societies in the period 1964 to 1980?
11. What are some of the key changes on the coffee cooperative societies since their establishment?
12. What are some of the issues/trends that have brought the changes in the coffee cooperative societies in Kipkelion, Kericho County? Explain them
13. In your opinion do you think the coffee cooperative societies have brought development to the local people. If yes, what are these development and if no explain.

14. Did the introduction of Structural Adjustment Programs and liberalization of the coffee sector 1990s affect coffee cooperative societies in Kipkelion, Kericho County? If yes explain how and if no explain.

15. How has the liberalization of Kenya’s economy affect the coffee cooperative societies in Kipkelion, Kericho County?

16. What are some of the challenges faced by coffee cooperative societies in Kipkelion, Kericho County following liberalization of the coffee sector? Describe them.

17. Describe the current trends in the coffee cooperatives sector in Kericho County.

THANK YOU
Appendix VI: RESEARCH PERMIT FROM NACOSTI

THIS IS TO CERTIFY THAT:  

MS. IRENE CHELANGAT SOY  
Of KENYATTA UNIVERSITY, 40-20201  
LITEIN, has been permitted to conduct research in KERicho County on the topic: EVOLUTION AND GROWTH OF COFFEE COOPERATIVE SOCIETIES IN KERicho COUNTY; 1900-2012  
for the period ending: 6th July, 2018

Applicant’s Signature

Permit No : NACOSTI/P/17/64039/17933  
Date Of Issue: 6th July, 2017  
Fee Received: Ksh 1000

Director General  
National Commission for Science, Technology & Innovation
Appendix VII: RESEARCH PERMIT FROM THE COUNTY COMMISSIONER KERICHO COUNTY

MINISTRY OF EDUCATION
STATE DEPARTMENT OF BASIC EDUCATION

Email: cdekerichocounty@gmail.com
When Replying Please Quote:
County Education Office
P.O BOX 149
KERICHO

REF: KER/C/ED/GC/2/VOL.II/
14TH DECEMBER, 2017.

TO WHOM IT MAY CONCERN,

RE: RESEARCH AUTHORIZATION - IRENE CHELANGAT SOY

The above Student has been authorized by National Commission for Science, Technology and innovation to undertake research on "Evolution and growth of coffee Cooperative Societies in Kericho County, 1988-2012," for a period ending 6th July 2018.

Accord him the necessary assistance.

OSIWE F.M
COUNTY DIRECTOR OF EDUCATION
KERICHO COUNTY.

07 DEC 2017
Appendix VIII: COFFEE PRODUCTION TREND IN KENYA 1963 – 2012

Coffee Production in Kenya 1963 - 2012

Source: Economic Surveys Various
Appendix IX: COFFEE PRODUCTION IN KAPNGETUNY FARMERS

COOPERATIVE SOCIETY 2006 – 2012

<table>
<thead>
<tr>
<th>Year</th>
<th>Cherry Intake (kgs)</th>
<th>Gross kshs.</th>
<th>Net kshs.</th>
<th>To members Kshs.</th>
<th>Rate Kshs.</th>
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<tr>
<td>2006/2007</td>
<td>93,888</td>
<td>2,468,729.85</td>
<td>2,356,841.10</td>
<td>1,877,760</td>
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<td>2007/2008</td>
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<td>2,204,162.70</td>
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<td>2008/2009</td>
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<td>3,930,855.10</td>
<td>3,612,741.60</td>
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<td>2009/2010</td>
<td>195,481</td>
<td>8,569,697.30</td>
<td>7,722,431.50</td>
<td>6,196,747.70</td>
<td>31/70</td>
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<tr>
<td>2010/2011</td>
<td>109,843</td>
<td>10,626,857.35</td>
<td>9,963,992.60</td>
<td>8,018,539</td>
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<td>2011/2012</td>
<td>210,511.50</td>
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<td>9,683,529</td>
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Source: Kapngetuny Farmers’ Cooperative Society Profile, 2012
GLOSSARY

Asis, Chepkoye, Tororot, Cheptalel - A Kipsigis dialect terms the refer to the god of the sun

Buni – coffee - Refers to dried coffee; clean coffee, roasted seeds and ground coffee.

Ilat - A Kipsigis dialect term for lighting

Tiisik - A Kipsigis dialect term for them that sanctify

Kapkoros - A Kipsigis dialect term for divine place of offering

Barazas - A Kiswahili term for public meetings

Leaf miner - A species of coffee pest that is common in Kenya

Autestia - A term used to describe coffee pests in wet area

Hemileia Vastatrix - A fungus that causes Coffee Leaf Rust

Thrips - Small insects that attack coffee trees and flowers

Leaf rust - A coffee disease caused by a fungus called Hemileia Vastatrix

Coffee Berry Disease - A coffee disease that is caused by a parasitic strain of collestotrichus coffeanum

Kokwet - A Kipsigis dialect term for neighborhood

Borororiet - A Kipsigis dialect term for region

Orkoiyot - A Kipsigis dialect term for diviner

Wimbi - A Kipsigis dialect term for millet

Tino - A nickname given to an Italian settler in Chepkechei area during colonialism.