MONEY & MARKETS

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LEONARD KUBOK | HEAD OF THE FOOD CROPS DIRECTORATE

Guests at an aflatoxin prevention conference in Nairobi in March. --EVANS HABIL

Tighter aflatoxin checks loom for Ugandan maize

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Maize imports from Uganda are expected to significantly drop as the government moves to enforce tighter aflatoxin checks on the commodity from the neighbouring country in the coming few months.

Maize traders will be required to show a certificate from a competent authority showing that the grain from Uganda is free from the cancer-causing toxins.

Aflatoxin causes cancer in humans

Ugandan maize has recorded high levels of aflatoxin and millers, especially the large ones, have been reluctant to use the grain.

"Soon we are going to make it mandatory for maize traders from Uganda to produce a certificate that indicates whatever they are bringing to Kenya is free from aflatoxin," said Leonard Kubok, Head of the Food Crops Directorate.

The recommended levels of aflatoxin in a sample of grain is 10 parts per billion with any grain that exceeds that considered unsuitable for human consumption.

At the same time, National Cereals and Produce Board (NCPB) is setting up five analytical labs in the country to step up aflatoxin checks in maize.

NCPB currently has only one testing lab in Nairobi with four more expected to be put up in Kitale, Machakos and Nakuru.

NCPB regional manager for North Rift Gilbert Rotich said the agency will start testing maize as a requirement before buying the grain from farmers.

Aflatoxin has not been one of the parameters in quality checks for maize that the agency has been buying from farmers. NCPB has been grading the produce basing on the percentage of diseased, discoloured and broken grain as well as checking on the levels of moisture.

The government has stepped up war on aflatoxin and recently it announced a partnership between private firms and NCPB in distribution of Aflasafe- a biochemical product used in suppressing the levels of aflatoxin in crops by up to 70 percent.

AfDB to guarantee Kenya's mortgage refinancier bond

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Kenya Mortgage Refinance Company has reached a deal that will see the African Development Bank (AfDB) guarantee its debut bond issue, planned for the third quarter of next year.

Kenya Mortgage Refinance Company (KMRC), the mortgage refinance firm formed through a partnership between the Treasury and private lenders, already has a credit line of more than Sh35 billion and plans to continually raise additional funds towards affordable home loans.

Chief executive Johnson Oltetia said the state-backed lender will piggy-back on AfDB's top credit rating (AAA) with a stable outlook in the debut cash call, and thereafter build its own reputation among investors.

"We will issue the bond when we are still drawing down the credit line from the World Bank and African Development Bank, but a new institution like KMRC doesn't have a track record and that means you face a bit of challenge raising funds," Mr Oltetia said, adding the quantum will be set at a future date informed by market conditions.

"We have worked out an arrangement with AfDB for a credit enhancement, and that means KMRC will be replaced by an AAA-rated institution like AfDB's balance sheet to support that (bond issue)."

Workers at an affordable housing construction site in Ngara, Nairobi on May 9.-- FRANCIS NDERITU

The World Bank extended about Sh25 billion to KMRC in form a concessional loan through the National Treasury, with AfDB injecting in a further Sh10 billion.

Additional funding has also come from 19 financial institutions - seven commercial banks, 11 saccos and one microfinancier (Kenya Women Microfinance Bank) - which bought shares and are participating in the programme.

The funds mobilised by KMRC for onward lending to banks and saccos to give home loans at single-digit interest to be repaid in 20 years will stimulate development of housing units, Mr Oltetia said.

The lender has backed the redevelopment of old estates in Nairobi such as Old Park Road Estate in Ngara, Jeevanjee/Bachelors Quarters, Ngong Road Phases I and II, Uhuru Estate and Suna Road Estates to help fill the gap in supply in the short-term.

"We are not too worried about supply (because) we have also been having a lot of feedback from private developers... who are aligning their projects to affordable housing concept," the KMRC head said.

"We have started introducing them to institutions that are participating in KMRC ... so they start showing their developments to the banks which can then start interesting their customers in those developments."

Developer plans eco-lodge in Maasai Mara

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Nairobi based real estate and industrial go-downs developer Rakam Investments has started construction of a multimillion-shilling eco-lodge in the Maasai Mara.

In regulatory filings with the National Environmental Management Authority (Nema), Rakam says they are putting up the 50-bed lodge on 60-acres within the Enonkishu Conservancy in Mara North Sub-County.

The developer, who launched operations in 2016 with residential developments in Runda, Gigiri, Muthaiga and Westlands says the new lodge will comprise 46 tented suites and four family suites.

"Other facilities will include two interconnecting conferencing rooms with a capacity to hold 25 people each, a restaurant, a bar-cum-lounge, an outdoor Boma, swimming pool and spa," said the firm.

Other high end lodges within the area are Naretoi, Fairmont Mara Safari Club, Kileleon and Lalami Guest Houses.

Maasai Mara national reserve is Kenya's premier tourism destination with 370,000 tourists visiting the world famous tourist attraction in 2018. Its main attraction is the annual wildebeest migration.

The reserve has, however come under the focus of conservationists due to the proliferation of lodges, including one that was recently forced to shut down for blocking the migratory route of the animals.

MasterCard Foundation begins disbursing Sh600m youth, women business loans

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The Kenya National Chamber of Commerce and Industry (KNCCI) and the Mastercard Foundation have started disbursing Sh600 million in interest-free loans earmarked for youth and women-led small businesses.

The loans are part of the Covid-19 Recovery and Resilience Programme. They are targeting small businesses that have borne the brunt of the negative effects of the Covid-19 pandemic, which caused the Kenyan economy to contract by 5.7 percent in the second quarter of the year.

The one-year programme will be implemented by KNCCI through its chapters across the 47 counties with focus on agriculture, retail, healthcare and manufacturing sectors.

National Federation of Hawkers chairman John Kihiu (left) and Federation of Jua Kali Association CEO Richard Muteti at the event yesterday. -SALATON NJAU

"While this crisis started initially as a health issue, it very quickly morphed into an economic disaster that has severely impacted many businesses (especially micro, small and medium sized enterprises (MSMEs), not just in Kenya but across the globe," the programme's project coordinator Louise Kabucho said.

She spoke in Nairobi after issuing Sh3 million to the first cohort of applicants, who were drawn from West Pokot, Tana River and Makueni counties.

The repayment plan for the loans carries a grace period of two months, which the funders said will not be extended to ensure the revolving fund reaches as many businesses as possible.

Eligible MSMEs include youth and women-owned (18-70 years).

Kenya National Federation of Jua Kali Associations chief executive officer Richard Muteti urged MSMEs across the country to utilise the funding window to help them bounce back from the losses and lost business.

Kenyans have increasingly opened small businesses in a bid to eke out a living following massive job losses after the pandemic struck the country.