



**REPUBLIC OF KENYA**

**IN THE HIGH COURT OF KENYA**

**AT MIGORI**

**[Coram: A. C. Mrima, J.]**

**CIVIL APPEAL NO. 64 OF 2019**

**BETWEEN**

**MATHEWS O. OGO.....APPELLANT**

**AND**

**SOUTH NYANZA SUGAR CO. LTD.....RESPONDENT**

**(Being an appeal from the judgment and decree by Hon. C. M. Kamau, Senior Resident Magistrate**

**in Rongo Senior Resident Magistrate's Civil Suit No. 70 of 2014 delivered on 29/04/2019)**

**JUDGMENT**

1. The Appellant herein, *Mathews O. Ogot*, filed *Rongo Senior Resident Magistrate's Court Civil Suit No. 70 of 2014* (hereinafter referred to as '**the suit**') against South Nyanza Sugar Co. Ltd, the Respondent herein. The Appellant claimed that by a Growers Cane Farming and Supply Contract entered into on 01/02/2005 (hereinafter referred to as '**the Contract**') the Respondent contracted the Appellant to grow and sell to it sugarcane at the Appellant's parcel of land Plot No. 7D Field No. 210 in Kakmasia Sub-Location measuring 0.3 Hectare within Migori County.
2. The Appellant pleaded that the Contract was for a period of five years or until one plant crop and two ratoon crops of the sugarcane were harvested from the subject parcel of land whichever event occurred first. The contract was company developed since the Respondent supplied the Appellant with farm inputs and services including cane seed. The Appellant further pleaded that he discharged his part of the contract until the plant crop was ready for harvesting but the Respondent refused and/or failed to harvest it. The plant crop dried up. He posited that he suffered loss of the three crop cycles.
3. Aggrieved by the alleged breach of the contract the Appellant filed the suit. He sought for compensation on the loss of the unharvested three cycles of the sugar cane amounting to Kshs. 303,750/= with costs and interest at court rates.
4. The Respondent entered appearance and filed a Statement of Defence dated 22/04/2015. The Respondent denied both the existence of the contract and any breach thereof. It put the Appellant into strict proof thereof. The Respondent contended in the alternative that if the contract was proved then the Appellant failed to exercise good crop husbandry to the extent that the crop was overshadowed and dwarfed by weeds and totally destroyed and as such the Respondent could not harvest such a crop. The Respondent prayed for the dismissal of the suit with costs.
5. The suit was finally settled down for hearing where both parties were represented by Counsels. The Appellant was the sole witness who testified and adopted his Statement as part of his testimony. He also produced the documents in his List of Documents as exhibits. The Respondent called its Senior Field Supervisor as its sole witness who also adopted his statement and produced the documents as exhibits.
6. The trial court rendered its judgment on 29/04/2019. The suit was partly successful. The court awarded the value of the plant crop with interest from the date of judgment. The Appellant was aggrieved by the judgment and lodged an appeal. In praying that the appeal be allowed and the suit be allowed as prayed the Appellant proposed 2 grounds in the Memorandum of Appeal dated 14/05/2019. The Appellant prayed for award of damages for two ratoon crops and that the interest run from the date of filing of the suit. There was no cross-appeal.
7. Directions were taken, and the appeal was canvassed by way of written submissions. Both parties duly complied. The Appellant challenged the finding of the trial court vigorously. He submitted that the court erred in improperly handling the issue of ratoons which had

long been settled by precedents. The Appellant relied on several decisions in support of the appeal.

8. The Respondent opposed the appeal. It supported the judgment. It contended that the Appellant did not lead any evidence as to what occasioned the non-development of the ratoon crops. It prayed for the dismissal of the appeal with costs. It also relied on various decisions.

9. As the first appellate Court, my role is to revisit the evidence on record, evaluate it and reach my own conclusion in the matter. (See the case of **Selle & Ano. vs. Associated Motor Boat Co. Ltd (1968) EA 123**). This court nevertheless appreciates that an appellate Court will not ordinarily interfere with findings of fact by the trial Court unless they were based on no evidence at all, or on a misapprehension of it or the Court is shown demonstrably to have acted on wrong principles in reaching the findings. This was the holding in **Mwanasokoni – versus- Kenya Bus Service Ltd. (1982-88) 1 KAR 278** and **Kiruga –versus- Kiruga & Another (1988) KLR 348**).

10. I have certainly perused and understood the contents of the pleadings, proceedings, judgment, grounds of appeal, submissions and the decisions referred to by the parties.

11. The central issue in this appeal was whether the Appellant was entitled to any award on the ratoon crops. I have dealt with the issue on several other occasions. In **Migori High Court Civil Appeal No. 10 of 2016 South Nyanza Sugar Co. Ltd vs. Joseph O. Onyango (2017) eKLR** I found that once a farmer proves that the Miller failed to harvest the plant crop at maturity then the farmer is entitled to the proceeds of the plant crop as well as the ratoon crops subject to the pleadings. Equally, when a Miller fails to harvest the first ratoon crop then the farmer is entitled to compensation for the first and second ratoon crops subject to the contract and the pleadings.

12. In this case the Appellant led evidence that the Respondent failed to harvest the plant crop. The court found that the Respondent was in breach of the contract. Resulting thereof it naturally yielded that the development of the ratoon crops was compromised by the non-harvest of the plant crop by the Respondent. The Appellant was therefore entitled to the proceeds of the plant crop and the two ratoon crop yields since the pleadings claimed as such.

13. I must however state that from the way the Respondent pleaded in its defence and the evidence it tendered before court the Respondent could not benefit from the principle of mitigation of loss in contracts. I certainly affirm the position that disputes based on breach of contracts are subject to the principles of **remoteness, causation** and **mitigation**. I further agree with the Court of Appeal in several decisions that a party alleging breach of contract must take steps to mitigate loss (See **African Highland Produce Limited vs. John Kisorio (2001) eKLR**).

14. The question which now arises is how should a Defendant handle the issue of mitigation of loss in a suit where the Plaintiff did not plead how it/he/she mitigated the loss? That question is factual. To me, the burden rests upon the Defendant to demonstrate how the Plaintiff ought to have mitigated the loss. Such approach must first find its basis in the pleadings. By doing so the Plaintiff would be put in sufficient notice and accorded an opportunity to challenge the evidence on mitigation of loss if need be. That is the essence of a fair trial in **Article 50(1) of the Constitution**.

15. A defendant should not raise the issue of mitigation of loss on appeal at the first instance. By doing so, the issue becomes a non-issue. The issue must be pleaded and proved. (See the Supreme Court ruling in **Raila Amolo Odinga & Another vs. IEBC & 2 others (2017) eKLR** and the Court of Appeal in **The Independent Electoral and Boundaries Commission & Ano. vs. Stephen Mutinda Mule & 3 others (2014) eKLR**).

16. I have consciously taken the foregone position on the understanding that contracts are between parties and each contract must be independently scrutinized as there may be some instances where the principle of mitigation of loss may reasonably not be applicable in a dispute more so depending on the terms of such a contract. I have also previously held that the manner in which the standard sugar contracts are drafted leave no room to the farmer to do anything in mitigating losses even in cases of breach. In this case for instance **Clause 2(b)(iii)** of the contract which gave the Respondent the sole power and discretion to extend the contract period without reference to the Appellant. (See **Migori High Court Civil Appeal No. 10 of 2016** case (supra).

17. The foregone has been echoed by some Courts. **Majanja, J. in Kisii High Court Civil Appeal No. 60 of 2017 South Nyanza Sugar Co. Ltd vs. Donald Ochieng Mideny (2018) eKLR** rendered himself on the issue after considering several past decisions including some by yours truly and held that: -

**15. Mitigation of damages is not a question of law, but one of fact dependent on the circumstances of each particular case, the burden of proof being on the defendant (See African Highland Produce Limited vs. Kisorio (1999) LLR 1461 (CAK). Since the appellant did not contest the respondent's claim, it did not show how the respondent could mitigate the loss.**

**16. The appellant's arguments in support of the appeal were attractive but at the end of the day the respondent's case before the trial court was not contested and for this reason, I dismiss the appeal.....**

18. In this case, and as said, the issue of mitigation of loss was not pleaded by the Appellant in the statement of defence. Instead, the Appellant denied the existence of the contract. The Appellant only pleaded in the alternative that upon proof of the contract then the Respondent failed to exercise diligence in growing the cane. The Appellant unfortunately did not lead any evidence on the position. There was no mention of the issue of mitigation of loss or at all. How then was the Respondent expected to benefit from a non-issue?

19. The court found the Respondent in breach of the contract. That finding was not appealed against. In the face of such breach the Appellant is entitled to compensation for the two ratoon crops as well.

20. The trial court rightly found that there was no dispute on the size of the land. The court was also guided by the Respondent's own cane

yields report and the cane prices schedule. Based on the information contained therein and in view of the contract provision on when the ratoons were due the Appellant expected a net income of Kshs. 72,980/= on the two ratoon crops.

21. On the issue of interest, the Court of Appeal in **John Richard Okuku vs. South Nyanza Sugar Co. Ltd (2013) eKLR** settled the same. It held that interest must run from the date of filing the suit and as such the trial court erred in making an order that the interest runs from the date of judgment. I must add that the Court of Appeal was alive to the fact that the lower court case had been filed in 1998 when it rendered its judgment in 2013 after a period of 15 years. The simple reason thereto is that it is well settled in law and has been so held over time that interest starts running from filing of suit in special damages claims like in this case.

22. The Respondent was denied the use of his money for all that period and the interest remain the sole consolation.

23. Following the foregone discourse, the upshot is that the following final orders do hereby issue: -

**a) The appeal hereby succeeds and the finding of the learned magistrate not awarding the Appellant the expected income from the two ratoon crops be and is hereby set aside accordingly;**

**b) The award of Kshs. 37,987/= by the trial court is hereby substituted with an award of Kshs. 72,980/= with interest at court rates from the date of filing of the suit;**

**d) The Appellant shall have costs of the suit as well as costs of the appeal.**

Orders accordingly.

**DELIVERED, DATED and SIGNED at MIGORI this 11<sup>th</sup> day of June 2020.**

**A. C. MRIMA**

**JUDGE**

**Judgment delivered electronically through: -**

1. [odukeze@gmail.com](mailto:odukeze@gmail.com) for the firm of Messrs. Oduk & Company Advocates for the Appellant.

2. [morongekisii@yahoo.com](mailto:morongekisii@yahoo.com) for the firm of Messrs. Moronge & Company Advocates for the Respondent.

3. Parties are at liberty to obtain hard copies of the judgment from the Registry upon payment of the requisite charges.

**A. C. MRIMA**

**JUDGE**