



MINISTRY OF AGRICULTURE, LIVESTOCK, FISHERIES &amp; COOPERATIVES

## INTERNATIONAL TEA DAY



## Tea industry remains resilient amidst Covid-19

**MESSAGE FROM THE CABINET SECRETARY, MINISTRY OF AGRICULTURE, LIVESTOCK, FISHERIES & COOPERATIVES**
**Hon. Peter Munya, EGH**

I am delighted to join the global tea industry fraternity in the celebration of this year's International Tea Day. As recognised by the UN General Assembly while making the resolution to designate this day in December 2019, the tea industry constitutes the main means of subsistence for millions of people and indeed is the key driver of socio-economic development for tea producing countries.

The recognition of the significant role of the tea industry in rural development, poverty reduction and food security is a demonstrable statement of fact for our country, Kenya. Ever since the first tea seedling (*Camellia Sinensis*) was introduced into our country in 1903, leading to its commercialisation in 1924 as a crop for exclusive production by the white settlers and eventually the permission to Africans to cultivate the crop in the lead up to independence, the tea industry in Kenya has witnessed monumental growth.

Nearly a century now since its commercialisation, the industry is a source of livelihood for over 600,000 farmers and about 6.5 million other Kenyans who are directly and indirectly engaged in the value chain. This represents approximately 13 percent of the national population. The industry is one of the leading foreign exchange earners and contributes four percent to the GDP and 22 percent of total exports.

I take note of the call by the UN General Assembly for an urgent need to raise awareness of the importance of tea for rural development and sustainable livelihoods and to improve the tea value chain to contribute to the 2030 Agenda for Sustainable Development.



**I am happy to note that farmers who are the principal shareholders in the smallholder tea factory companies, have recently taken back their power and organised Extra-Ordinary General meetings**

ment. Further, I recognise the objective of this day for promoting and fostering collective actions to implement activities in favour of the sustainable production and consumption of tea and raising awareness of its importance in fighting hunger, malnutrition and poverty. To this end, the Government of the Republic of Kenya, in collaboration with the industry stakeholders, has been pursuing a deliberate

reform agenda whose principal objective is to reposition the tea industry towards a sustainable and profitable path. The primary focus in the reform journey has been to facilitate transparent and accountable processes in the value chain with a view to according fair and sustainable returns, particularly to the most important player in the industry – the farmer.

The reforms milestone was realised with the enactment of the Tea Act 2020, which provided a raft of regulatory mechanisms for ensuring order, transparency and accountability in the value chain.

Among the key highlights in the Act is the recognition that farmers are the real owners of the industry and must be accorded the opportunity and an appropriate environment to participate in making key decisions for their investments. It was also recognised that some players in the value chain were participating in practices that are detrimental to farmers' interests, including burdening them with unnecessary costs, some of which are deliberately designed to benefit a few players at the expense of the principal stakeholders. There was also recognition that the trading platform, the Mombasa Tea Auction, did not provide a fair and transparent price discovery mechanism and instead has been a closed club whose operations is known to a few mandarins for selfish interests. It is against this realisation that a requirement was put into law through the Act for digitisation of the Auction operations with a view to affording opportunity for more players on the trading platform and eliminating collusion that is rampant with the conventional auction system.

While some hurdles have been placed in the way of implementation of reforms in the tea industry, I am happy to note that farmers who are the principal shareholders in the smallholder tea factory companies, have recently taken back their power and organised Extra-Ordinary General meetings during which they exercised their democratic right to elect

leaders of their choice into the boards of the respective companies. In exercise of its regulatory mandate and in pursuit of national interest and the desire to secure the position of the Kenyan tea industry in the global market, the Government has provided the requisite advisory and facilitation to farmers while they have been executing their agenda.

It is also instructive to note that the Tea Act 2020 establishes the Tea Board of Kenya and the Tea Research Foundation of Kenya to provide a dedicated oversight, promotion and research for the tea industry in Kenya. The requisite preparations are underway to fully operationalise the two agencies to enable them undertake their responsibilities effectively in facilitating the tea industry.

For the second year running, we are celebrating the International Tea Day against the backdrop of the Covid-19 pandemic. Last year, initial lockdowns at the advent of the pandemic slightly slowed down the distribution and marketing logistics. However, the industry adapted very quickly to the new normal and is currently in a stable state. Amidst the pandemic, tea production was significantly enhanced by 24 percent in 2020 to stand at 569 million Kgs against 458 million Kgs recorded in 2019. Similarly, the total export volume for the year was four percent higher at 518 million Kgs compared to 496 million Kgs recorded during the previous year. Total export earnings from tea was also slightly improved at Ksh120 billion against Ksh117 billion in 2019. The domestic absorption of tea remained at more or less the same level of 2019 at 41 million Kgs. I am certain that with the reforms that we are currently pursuing, farmers will soon receive even much better earnings.

In conclusion, I wish to salute tea farmers in Kenya who continue to produce and supply quality tea to consumers across the world as they also contribute immensely to the socio-economic wellbeing of our beloved country.

**MESSAGE FROM THE PRINCIPAL SECRETARY, STATE DEPARTMENT OF CROP DEVELOPMENT AND AGRICULTURAL RESEARCH**
**Prof. Hamadi I. Boga, PhD, CBS**

The State Department of Crop Development and Agricultural Research is happy to be associated with this year's celebration of the International Tea Day.

The sustainability and profitability of the tea industry in Kenya is at the heart of the policy and technical facilitation by the Ministry of Agriculture, Livestock, Fisheries and Cooperatives. In pursuit of the sustainability initiatives, the Ministry, through the State Department of Crop Development and Agricultural Research, is providing oversight for the respective agencies, including the Agriculture and Food Authority (AFA), Kenya Agricultural and Livestock Research Organisation (KALRO) and the newly established



agencies for the tea industry – the Tea Board of Kenya and the Tea Research Foundation of Kenya.

We are also working with our partners, including the UN FAO, in pursuit of sustainable programmes for the tea industry, notably climate change mitigation interventions and sustainable use of terrestrial ecosystems.

The Ministry is committed to ensuring that the tea industry continues to play its role as one of the key drivers in the socio-economic development in Kenya. In view of this, the requisite facilitation will be provided for sustained production of top quality tea and enhanced productivity of the tea crop, particularly in the smallholder sub-sector, which accounts for about 60 percent of the total national production. This facilitation will be made available through enhanced research and farm extension services in collaboration with the county governments.

The Government has been concerned about the decline in earnings from tea and the consequent possibility of farmers abandoning the crop for more lucrative options. Towards this end, the policy and regulatory reforms that have been instituted are geared towards providing mechanisms for managing the cost of production and entrenching the principles and practice of good governance in the value

chain. The Tea Act 2020 has provided for specific actions for implementation along the value chain, including farm practices, factory operations and the trading platform. It is expected that as we implement the requisite reforms as envisaged in the Act and other policy guidelines, farmers' earnings will improve remarkably.

As we celebrate this year's International Tea Day, we are cognizant of the challenges posed by the Covid-19 pandemic. I note that despite the initial disruptions which affected all sectors of the economy last year, the tea industry quickly adapted to the new normal and is currently operating normally. I am particularly delighted that there have been very minimal disruptions with regard to labour issues in the sector.

I wish to appeal that all the requisite precautions be sustained with a view to securing the health of the workforce as well as the tea farmers. Further, it is important that all the neces-

sary Covid-19 mitigation protocols are maintained in the value chain, which is the source of livelihoods for over 600,000 farmers and over six million other Kenyans.

As we celebrate the International Tea Day, I wish to call upon the industry players to continue upholding good agricultural practices for quality production as well as adopting new initiatives as they respond to the global market dynamics. The Government, on its part, will continue providing the requisite support, including facilitating the promotion of Kenyan tea in the global markets and undertaking the necessary bi-lateral and multilateral trade engagements with the Governments of our traditional and new market destinations.

As we celebrate the International Tea Day, the future can only be bright for the tea industry in Kenya if we commit to continue delivering quality tea beverage that suits the taste of all consumers across the world.



MINISTRY OF AGRICULTURE, LIVESTOCK, FISHERIES & COOPERATIVES

# INTERNATIONAL TEA DAY



## MESSAGE FROM THE Ag. DIRECTOR GENERAL, AGRICULTURE AND FOOD AUTHORITY (AFA)

The Agriculture and Food Authority (AFA) joins the Kenya tea industry family in marking this year's International Tea Day.

As the facilitative agency for the agriculture sector, including the tea industry, AFA appreciates the role played by stakeholders, led by the principal stakeholders – the farmers – for facilitating food security and contributing immensely to the country's socio-economic development. We particularly commend tea growers who have weathered the challenges posed by the Covid-19 pandemic and sustained the position of the tea industry as one of the leading foreign exchange earners. I note that the tea sub-sector is the source of livelihood for over 600,000 farmers and over six million other Kenyans who are directly and indirectly engaged in the value chain.

We note the ongoing reforms for the tea industry and the need to ensure seamless implementation of the new policy and regulatory instruments. In view of this, AFA is working with stakeholders under the leadership of the Ministry of Agriculture to ensure a less disruptive transition from the Tea Directorate under the Authority to the newly established Tea Board of Kenya that will now take



Kello Harsama

up the mandate to facilitate and promote the tea industry.

Under AFA Tea Directorate, we have executed key initiatives geared towards facilitating market expansion accompanied by deliberate product diversification strategies with a view to enhanc-

ing the value of Kenyan tea and consequently improving farmers' earnings. These initiatives have recently been backed up by the reforms that culminated into the enactment of the Tea Act 2020 and the farmers-driven leadership changes in the respective smallholder tea factory companies. We look forward to the full implementation of the envisaged laws and policy guidelines whose objective is to remove burdensome costs in the value chain and to entrench good governance as well as accountability.

As we celebrate the International Tea Day, I urge the tea industry stakeholders to remain committed to sustaining Kenya's position as the producer and supplier of top quality tea to the international market. This will be possible as we work collaboratively for the common good of the value chain players and Kenya's national interests.

Finally, I wish to implore Kenyans to consume more of our quality tea products before they can be shipped out to the international markets. Tea is not just a refreshing but also a healthy beverage and we should be the first to enjoy its benefits even as we share with the rest of the world.

## MESSAGE FROM THE DIRECTOR, TEA DIRECTORATE, AGRICULTURE AND FOOD AUTHORITY (AFA)



Peris Mudida

The Tea Directorate is proud to be part of the global tea industry family and to join in the International Tea Day celebrations.

This year's celebrations are happening at a time when the tea industry in Kenya is undergoing critical reforms geared towards sustainable production and marketing of Kenyan tea with a view to enhancing returns, particularly for the principal stakeholders – tea growers.

The reform journey has been a deliberate step informed by the need to secure the role of the tea industry as a key player in our country's socio-economic development and more specifically a source of livelihood for millions of Kenyans. During this journey, we have walked together with the industry stakeholders under the guidance and support of the Government, through the Ministry of Agriculture. I am happy to note that even as we transition to the Tea Board of Kenya, the operations of the industry have not been distracted nor slowed down. For this, I wish to commend stakeholders and partners for their collaboration and contribution towards the reform process. It is my sincere hope that we will maintain the collaborative spirit as we seek to take the industry to the next level.

I wish to assure the industry that the initiatives and strategies that we have been pursuing to facilitate the industry will be sustained and escalated further with a view to attaining the envisaged growth and prosperity objectives. These include market access and expansion programmes, product diversification and trade facilitation. Through these initiatives, we have seen expansion into new markets, including Russia, Poland, Iran, Kazakhstan, Jordan and Nigeria, among others. The market access and expansion programmes are anchored on diversification from Black CTC to specialty teas, including Orthodox, Green, Purple, Oolong and White Teas. The shift to specialty teas has incorporated SMEs through the cottage industry concept for manufacture of low volume and high value teas. Over 10 cottage industry investors have been licensed under this programme. We promise to continue with more of the progressive initiatives for the local and international markets.

In regard to the newly enacted Tea Act 2020, I wish to express our readiness and commitment for implementation of the requisite provisions, whose objective is to drive the industry towards sustainable growth and profitability. However, it is important to note that our commitment will not count if stakeholders in the industry fail to play their respective roles. It is my hope therefore that we will work collaboratively with all the stakeholders for mutual benefit.

## Tea Research Institute: Building resilience of Kenya's Tea Industry through climate-smart tea technologies

The Tea Research Institute joins the rest of the world in celebrating the 2nd International Tea Day, which was adopted vide a resolution during the 74th General Assembly of the United Nations held on November 27, 2019.



Dr. Samson Kamunya  
Director, Tea Research Institute (TRI)

Owing to the prevailing Covid-19 pandemic, the day will be celebrated in strict compliance to the Ministry of Health guidelines on the pandemic.

The Kenya tea industry continues to experience a favourable weather with the resultant effect of high volumes of processed black tea at the Mombasa Tea Auction. This has led to depressed tea prices.

Kenya has consistently maintained its third position in world tea production after China and India, and remains a leader in the export of black Cut, Tear and Curl (CTC) tea. Consequently, Kenya has always been accused of flooding the global tea market with this popular commodity.

Despite being a leading producer of high quality black CTC teas, upward spiral of cost of production has resulted in either stagnated or significant decline in tea earnings, thereby exposing the largely smallholder sub-sector to untold vulnerabilities. To cushion the tea growers against these challenges, the Tea Research Institute has reoriented

its research agenda to focus more on development of technologies for tea products diversification, value addition and tea and health. This agenda has been rationalised in line with several national and international guiding policies, including the Agricultural Sector Development Strategy (ASDS) for the period 2009-2020, Kenya's Vision 2030, National Development Plan and the Medium Term Plan 2018-2022, UN-Sustainable Development Goals (UN-SDG), Article 43, Constitution of Kenya (2010) ("Every person has the right to be free from hunger, and to

have adequate food of acceptable quality"), and the Government's Big-4 Agenda.

The main raw material for processing the diversified products are the novel tea cultivars, which if subjected to validated innovative processing technologies, will yield unique and high value diversified tea and tea-fortified products. Towards this end, the Tea Research Institute has developed and released, among others, climate-smart variants of tea cultivars such as the purple tea (coded TRFK 306), which is rich in anthocyanin pigment that has found wide use in the manufacturing of fast moving consumer goods such as soaps, shampoo and detergents, tea cookies and cakes, tea wine, besides the unique orthodox purple tea that is highly medicinal.

Additionally, five novel green tea cultivars with suitability to process low caffeine green and black orthodox and CTC teas have been granted protection, opening doors for their full commercialisation into specialty tea products, including white, oolong and black orthodox teas.

The Institute is also conducting field evaluations on non-caffeine purple tea variants, this time targeting consumers of tea without caffeine. Currently, research is more focused on collaboratively assessing the potential health benefits as antidiabetic agents, anti-cancer and anti-hypertensive with sister institutions namely Kenya Medical Research Institute (KEMRI) and Kenya Industrial Research Development Institute (KIRDI) with funds from the National Research Funds (NRF).

Thus, the Tea Research Institute efforts in advancing the critical agenda of the tea sector, which ultimately is enhancing tea growers' income for improved livelihoods is still on course. It is in this respect that the Institute has initiated the establishment of a model Tea Cottage Processing Factory that will double as an Incubation Centre for developing innovations and technologies for manufacture of specialty and value added tea and tea-fortified products that hold the future of the Kenyan tea industry.

**TEA RESEARCH INSTITUTE**  
**SOME SPECIALTY TEAS**

**KEY:** (1) white, (2) green orthodox tea (3) purple orthodox tea (4) yellow orthodox (5) black orthodox (6) brick-pu-erh (7) pu-erh orthodox tea, (8) Black CTC tea

**Tea Research Institute Injects Five Novel Tea Cultivars for Specialty Tea Processing**

**TRFK 914/28** green/black orthodox  
**KTRI 895/17** green orthodox  
**TRFK 914/39** green orthodox  
**TRFK 914/11** black orthodox  
**TRFK 895/7** black CTC