



MINISTRY OF AGRICULTURE, LIVESTOCK, FISHERIES & COOPERATIVES

Office of the Cabinet Secretary

Telegraphic Address "MINAG" NAIROBI

Telephone: 020-2718870

Email: cabinetsecretary@kilimo.go.ke

KILIMO HOUSE
CATHEDRAL ROAD
P.O BOX 30028
NAIROBI

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MEDIA ADVISORY

ANNOUNCEMENT OF FINAL TEA REGULATIONS

- WHO:** HON. PETER MUNYA, MGH, CABINET SECRETARY AGRICULTURE, LIVESTOCK, FISHERIES & COOPERATIVES
- WHAT:** ANNOUNCEMENT OF FINAL TEA REGULATIONS AFTER PUBLIC CONSULTATION PROCESS
- WHEN:** THURSDAY, MAY 21, 2020 **11.00 AM**
- WHERE:** MOALF&C HEADQUARTERS, KILIMO HOUSE

On the 14th January, 2020, HE the President issued directives on the management of the tea value chain with a view to improving operational efficiencies of various actors and guaranteeing better earnings for tea farmers.

The following issues were identified as requiring urgent address:

- a) The problem of corruption, exploitation of farmers and conflict of interest in the management of tea value chain;
- b) The need to increase revenues to farmers as opposed to middlemen and brokers;
- c) The problem of diminished earnings for farmers attributable to inefficiencies in the tea value chain;
- d) The challenge of low tea prices, delayed payments, low initial payments or bonus and fluctuating net earnings to farmers;

- e) The governance challenges embedded in the tea value including but not limited to conflicts of interest in the operations of KTDA and its subsidiaries; and the auction process;
- f) The lack of transparency and/or opaqueness in the management of KTDA subsidiaries and non-declaration of dividends to farmers;
- g) The problem of exploitation of tea farmers by persons who are not tea growers commonly known "soko-huru" or "mukohoro" that buy tea from farmers on cash basis and sell to tea factory limited companies;
- h) The challenge of inefficiencies at the tea auction and in the application of the sale of tea by private treaty (Direct Sales Overseas – DSO); and
- i) The problem of low value addition of Kenyan tea destined for export.

Consequently, on the 16th April 2020, the Cabinet Secretary issued draft regulations for the tea sector that were subjected to a 14-day stakeholder consultation process.

The public consultation process has now been completed. During the consultation process, tea stakeholders made extremely progressive submissions that have greatly enriched the regulations that will be announced by the Cabinet Secretary.

Journalists are invited to engage the Cabinet Secretary on these reforms, and on the contribution of the tea sector to the National COVID-19 Economic and Recovery Plan.

Additional enquiries be sent to:

THE DIRECTOR GENERAL

Agriculture and Food Authority

Email: amuriithi@afa.go.ke

Agriculture and Food Authority

Tea House; Naivasha Road, off Ngong Road

P.O Box 37962 - 00100, Nairobi

Cell Phone: +254-722200556/734600944

Wireless: +254 - 020 - 2536869/2536886

Website: www.afa.go.ke