



OFFICE OF THE
DEPUTY PRESIDENT

**SPEECH OF H.E RIGATHI GACHAGUA, EGH, THE DEPUTY
PRESIDENT OF THE REPUBLIC OF KENYA, DURING
ANNOUNCEMENT OF THE FINAL PAYMENT (BONUS) TO
SMALL-HOLDER TEA FARMERS UNDER KTDA ON
SEPTEMBER 27, 2023 AT KAREN, NAIROBI**

The Cabinet Secretary, Agriculture, Mithika Linturi;

**The Chair, Agriculture Committee, Council of Governors,
Governor Ken Lusaka;**

**The Chair, Agriculture Committee, the Senate, Senator
Kamau Murango;**

**The Chair of Agriculture Committee, National Assembly,
Dr. John Mutunga;**

The Chairman KTDA, Njiru Njeru;

**The CEO, KTDA Muthaura Wilson;
Board Members and Directors;
Distinguished Guests;**

We gather here today to announce the final payment of bonuses to our smallholder farmers under the Kenya Tea Development Agency.

It is one of the most important occasions for the over 750,000 smallholders as we celebrate the gains made since the Kericho Tea Subsector stakeholders' Conference in July this year.

We are proud that within six months, we are restoring sanity and stabilising the Tea Subsector as envisioned under the Kenya Kwanza Plan of putting more money in the pocket of the farmer.

This is a direct positive impact to the farmer, who is at the bottom of the socio-economic pyramid.

We are dignifying the farmer. We have dignified the over 7 million members of their family.

The farmer can now pay school fees for their children; the farmer can now invest in their dream projects.

It is for this reason that I congratulate the Kenya Tea Development Agency for working with us in implementation of the Kericho Conference Roadmap, resulting in farmers earning huge bonuses. This is one of the highest performances for all small-holder factories across the country.

Distinguished Guests;

KTDA factories recorded a turnover of 95.3 billion Kenya Shillings in 2023 compared to 93.02 Billion Kenya Shillings last year.

This was a growth of 2.28%. The total payment to farmers grew by 7.6%, reaching 67.7 Billion Kenya Shillings.

The average rate for green leaf per kilo delivered to factories grew by 18% to reach 59.1 Kenya Shillings compared to last year, which was 50.14 Kenya Shillings per kilo.

Allow me to single out the top three performing factories in the annual combined earning. Gitugi Tea Factory in Nyeri County registered an impressive 78.3 Kenya Shillings per kilo - an increment of 26%.

This factory is also the country's leading processor of Orthodox Tea, whose consumption is on a steady rise across the Globe.

At Imenti Tea Factory in Meru County, farmers earned 73.1 Kenya Shillings per kilo.

On the other hand, farmers of Michiimikuru Tea Factory, also in Meru earned 68.6 Kenya Shillings per kilo.

I must acknowledge and congratulate Momul Tea Factory in Kericho County for leading in consistently producing quality tea.

From this year's results, it is exciting to note that even the lowest factories such as Nyankoba in Nyamira County, Kapsara in Trans Nzoia County and Kiamokama in Kisii County registered an improvement.

Nyankoba was the most improved factory reaching 37% with farmers earning 55 Kenya Shillings per kilo from a low of 40.1 Kenya Shillings per kilo in 2022.

A hearty congratulations to the farmers of these three factories for the improvement. I am sure they will perform even better next year and years to come.

Distinguished Guests;

Besides dignifying our farmers in their hustles, the reason the Ruto Administration is taking seriously implementation of the reforms is for the Tea Subsector to contribute to rebuilding the economy.

We cannot improve our economy when we are spending more on importation than exports. We cannot strengthen our Shilling against major global currencies when key subsectors are underperforming.

Tea is one of the crops that will assist us in increasing the foreign exchange reserves.

Tea contributes about 2% to our Gross Domestic Product and 4% to the Agriculture GDP. It earns an approximately 120 Billion Kenya Shillings in exports - translating to about 26% in foreign exchange.

Globally, Kenya is the third producer and the biggest exporter accounting for 28% of the world tea.

In 2021, the Tea Subsector earned the country 136 Billion Kenya Shillings in foreign exchange.

Last year, we earned 138 billion Kenya Shillings. This year, as we fully roll out reforms, we project the export earnings to rise to about 150 Billion Kenya Shillings.

Distinguished Guests;

As the farmers prepare to receive their bonuses next month, they are motivated to work harder, to not only improve quantity, but also quality- the main factor that guarantees high pay.

I wish to acknowledge that a reserved price is cushioning farmers against market uncertainties. But with the expanding international market, we also must push the bonuses even higher in the next five years.

That is why we will follow up on implementation of the reforms to the last dot. A review of all legal, policy and regulative frameworks is ongoing for lasting reforms.

Under our foreign policy, the main responsibility of ambassadors and heads of mission is to maintain current and expand our footprints into new markets for our products. Their performance will be pegged on delivery on this assignment.

Competition for traditional markets including Pakistan, the United Kingdom, the United Arab Emirates, Yemen and Russia, is growing. This calls for production- on our part- of more in quality, quantity and Speciality Teas.

This is how we will penetrate new markets including China, Taiwan, Lithuania, the Democratic Republic of the Congo, among others.

Already, Kenya has exported tea under the Africa Continental Free Trade Area Agreement, a market of over 1.3 billion people.

Distinguished Guests;

In the face of competition from upcoming tea producers, Kenya is standing out in Orthodox Tea.

As highlighted earlier, Gitugi Tea Factory is leading the way, alongside other factories across the country in production of Orthodox Tea.

Speciality Tea means we can dictate the price per kilo.

Besides encouraging farmers to venture into other varieties like purple tea, factories now need to incorporate flavoured products as part of diversifying strategy to reach wider, trendy and high-value markets.

Distinguished Guests;

For increased quality and quantity, extension services on good crop husbandry are critical. We have also eased access to cheaper fertiliser through subsidy as a way of reducing the cost of production.

In this regard, we ask our farmers to enlist under the ongoing registration to, among other benefits, access subsidised fertiliser. The National Government Administration Officers must double efforts in registering the farmers.

On this note, I challenge KTDA to also work around provision of cheaper fertiliser to farmers in the longterm.

Further, Climate Change remains a threat to crop yields. As witnessed, there was a drastic drop in production late last year and early this year due to prolonged drought.

We encourage KTDA to partner with County Governments in provision of extension services as well as entrenching Climate Smart Agriculture for sustained production.

(YOUR EXCELLENCY, YOU MAY CHOOSE TO READ OUT THIS PARAGRAPH ON REWARDS OR NOT)

Distinguished Guests;

As part of encouraging performance, we will reward top performers here today. Gitugi Tea Factory- will receive 500,000 Kenya Shillings while Imenti Tea Factory will be rewarded with 300,000 Kenya Shillings. Michiimikuru will receive 200,000 Kenya Shillings.

The most improved factory, Nyakoba Tea Factory in Nyamira County, will get 200,000 Kenya Shillings while Momul will also get 200,000 Kenya Shillings.

IN CONCLUSION, we remain committed to full implementation of the Tea Subsector Reforms for the farmer to earn what they deserve.

This is how we will build a strong and vibrant economy.

Once again, Congratulations to all stakeholders and particularly our farmers for your good work.

ASANTENI SANA