



OFFICE OF THE
DEPUTY PRESIDENT

**TALKING POINTS OF H.E RIGATHI GACHAGUA, EGH,
DEPUTY PRESIDENT OF THE REPUBLIC OF KENYA
DURING THE LAUNCH OF THE TEA INDUSTRY
PERFORMANCE RESULTS -2023 AT TEA HOUSE, NAIROBI
COUNTY, ON FEBRUARY 29, 2024**

Cabinet Secretary for Agriculture Mithika Linturi;

Nairobi Governor Johnson Sakaja;

Senate Majority Leader Aaron Cheruiyot;

**National Assembly Vice- Chair, Agriculture and Livestock
Committee Brighton Yegon;**

Members of Parliament;

Chairperson and the Board, the Tea Board of Kenya;

Chairpersons and Directors of Tea Factories;

Industry Stakeholders;
MCA's and other Leaders;
Distinguished Guests;

- 1. It is a pleasure joining the Tea Board of Kenya and other Tea Stakeholders on this crucial occasion of reflecting on the performance of our service to the beneficiary- THE FARMER.**
- 2. For over one year, I have been deeply involved in Tea Subsector Reforms, as per the Executive Order No 1 and 2 of 2023.**

3. At the onset, I wish to congratulate the Tea Board of Kenya, Kenya Tea Development Agency estate and small-holder farmers for earning our country a record 180.57 Billion Kenya Shillings in 2023.

This was a 31% increase in value of exports. It is the highest since 2013.

4. This was a major boost to our economy as the Shilling sought stability against foreign currencies.

Although the sales per kilo dropped from 2.62 US Dollars to 2.47 US Dollars per kilo, the foreign exchange earned cushioned our denomination from a worse-off free-fall.

5. On the flipside, the high exchange rate of the US Dollar against the Shilling also enabled our over 834,000 farmers earn up to 345.32 Kenya Shillings per kilo in 2023 as opposed to 306.64 per kilo in the previous year.

Partly, this is one of the reasons small-scale farmers received the highest bonus in 2022-2023- one of the best in the recent past.

6. The impact of the bonus has been immense. Farmers across the country have paid school fees from the bonus instead of expensive loans.

While some are building decent houses, others have bought cows and other property.

In paying school fees, building a decent home, buying a cow to enjoy a cup of tea with milk- without a loan- we are restoring dignity to our farmer as envisioned under the Bottom-Up Economic Transformation Agenda.

7. At the macro-level, Tea exports from small-scale and estate farmers have helped strengthen resilience of our Shilling against major currencies.

8. It is for these reasons that we are determined to deliver on the Tea Subsector Reforms, as agreed during the Kericho Tea Conference in July 2023, and other subsequent meetings that I have had with key stakeholders. Small-scale farmers must benefit like their estate counterparts.

We want the Subsector to support socio-economic transformation of lives as promised under the Kenya Kwanza Plan, which the People of Kenya voted for when they elected President William Ruto.

- 9. Under favourable conditions, farmers are ready to produce more as witnessed in the year under review when they registered 570.26 Million Kilos against 535.04 Million Kilos posted in 2022.**
- 10. We have to support the small-scale farmer to earn what they deserve in bold decisions in Legal, Policy and Regulative frameworks through the value chain.**

These will provide the basis for high-value Tea-Speciality and CTC products as we embrace diversity to meet emerging demands of consumers- who dictate the market.

- 11. To show our sheer determination of ensuring a streamlined Tea Subsector, we are systematically addressing key issues that increase the cost of producing and processing tea up to the market level.**

For instance, I have engaged the KTDA-Management Service, the Tea Board of Kenya and relevant stakeholders on dealing with glut to avoid loss in value of unsold tea.

12. We are also alive to the market shocks resulting from geopolitical issues negatively affecting our key markets, such as Sudan, Russia and Ukraine, the Middle East, among others.

In his Foreign Missions, marketing our products is top of our President's Agenda.

Further, Embassies and Missions have a key responsibility of marketing our products as we refocus on Economic Diplomacy.

13. Similarly, the Cabinet Secretary for Agriculture, Hon Linturi, is having direct bilateral engagements with high-value markets for favourable trading terms.

For instance, his visit to Pakistan- a consumer of up to 40% of Kenya's tea- the purchase of our tea in US Dollars has been given priority by the Central Bank of the Asian State.

14. We are working to retain the current and conquering new markets to meet the increasing production of tea. The Executive is exploring bilateral engagements with other markets such as China, Iran, Saudi Arabia, and Turkey in pursuit of a bigger bite of the international market.

15. But we can only stamp our presence in the market if we present quality and value-added products. We aim to increase value added tea exports from 5% in 2023 to 50% by 2027.

The Government is ready to work with you in improving factory machinery and other specialised equipment to achieve this target.

16. This will increase the value of tea exports from 180.57 Billion Kenya Shillings in 2023, to over 272 Billion Kenya Shillings by 2027.

The earnings of smallholders must move from the current average of 59.02 Kenya Shillings in the FY 2022/23 per kilo of Greenleaf to 90 Kenya Shillings per kilo by 2026/2027 FY.

This will be massive contribution to the economy.

That is why we are ready to implement radical reforms in the Tea Subsector to the end. The challenges we are facing in court cases are short-lived. The farmer, who is the boss, will in the end-benefit from the tea business.

17. As factories prepare for elections, we urge the farmer to put integrity first. Good leadership will promote and protect the reforms we are undertaking for a sane and productive Tea Subsector.

18. ON THIS NOTE, it is now my pleasure to launch the 2023 Tea Industry Performance Results.

ASANTENI SANA