Opening Emerging Markets for Kenyan Tea

PRESENTATION BY:

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TEA BOARD OF KENYA
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INTRODUCTION - Overview of the TBK

<table>
<thead>
<tr>
<th>Brief on TBK</th>
<th>Established on 13th June 1950 under the Tea Act (Cap 343).</th>
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<tbody>
<tr>
<td>Core Mandate</td>
<td>Regulating tea growing and manufacture</td>
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<td>Promotion of Kenya Tea.</td>
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<td></td>
<td>Carrying out research on tea through TRFK.</td>
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<td>Collecting and disseminating information relating to tea</td>
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<td>Vision</td>
<td>To make Kenya tea the preferred tea in the world</td>
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<td>Mission</td>
<td>To promote the efficient production and marketing of high quality tea to the domestic and international markets</td>
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Tea Growing Areas

East of Rift: Limuru, Kiambu, Meru

West of Rift: Kericho, Kisii, Nandi
Production and Planted Area trend

![Graph showing the trend of production and planted area from 2000 to 2009. The x-axis represents the years, and the y-axes represent production in million kgs and planted area in hectares. The graph shows a general upward trend in both production and planted area over the period.](image)
Global Performance: PRODUCTION

WORLD TEA PRODUCTION (2009)

- China, 35%
- India, 25%
- Sri Lanka, 7%
- Kenya, 8%
- Others, 25%

TEA BOARD OF KENYA
Global Performance : Exports

WORLD TEA EXPORTS (2009)

- Kenya, 22%
- China, 19%
- Sri-Lanka, 18%
- India, 12%
- others, 29%

TEA BOARD OF KENYA
## Export Markets 2009

<table>
<thead>
<tr>
<th>DESTINATION</th>
<th>QUANTITY KGS</th>
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<tbody>
<tr>
<td>EGYPT</td>
<td>75,391,513</td>
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<tr>
<td>UK</td>
<td>64,179,439</td>
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<tr>
<td>PAKISTAN</td>
<td>54,638,689</td>
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<tr>
<td>AFGHANISTAN</td>
<td>33,443,074</td>
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<tr>
<td>SUDAN</td>
<td>25,476,533</td>
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<tr>
<td>RUSSIA</td>
<td>13,518,878</td>
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<tr>
<td>YEMEN</td>
<td>13,330,704</td>
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<tr>
<td>U.A.E</td>
<td>12,782,620</td>
</tr>
<tr>
<td>KAZAKHSTAN</td>
<td>9,122,806</td>
</tr>
<tr>
<td>POLAND</td>
<td>4,623,521</td>
</tr>
<tr>
<td>OTHERS</td>
<td>35,973,770</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>342,481,547</strong></td>
</tr>
</tbody>
</table>

*TEA BOARD OF KENYA*
Selling proposition - Why Kenya Tea?

1. Favourable weather, all year leaf availability
2. No pesticides or agro-chemicals;
3. Good husbandry practices and selection of high quality varieties;
4. Skillful processing practices- No additives, preservatives or artificial colouring - realization of highest quality;
5. Commitment to Global Food Safety, environmental and social standards;
6. Market Compliance-Adherence to Global Standards (ISO 22000, HACCP, ETP, Fair Trade, Rain forest Alliance e.t.c);
7. Efficient Marketing Infrastructure.
Re - Positioning Kenya Tea

Concerns

- Over reliance on 5 key markets
- Dominance of CTC: Oversupply of black CTC in the world market

![Graph showing world production vs. consumption trend (2005-2009)]
Re - Positioning Kenya Tea

Concerns
  • Declining global prices
Re - Positioning Kenya Tea

**Concerns**

- Projected changing world consumption patterns
- Bulk exports
- Hidden Product
- Traditional marketing channels
WAY FORWARD

Tea Promotional Strategy 2008-2012

Focus is on:

a) Market Share Retention.

b) Niche opportunities.

c) Development of emerging markets.

d) Use of Non-traditional Promotional & Marketing Channels:
   • Diaspora Synergies other Agencies
   • Tea Tours
   • E-Auction

e) Product Diversification.

f) Value-addition & Product Branding (Mark-of-Origin & GI).

g) Local Generic Promotion Campaign (LGPC).
Re - Positioning Kenya Tea cont...
Partnering with Kenyan Diaspora

- Natural Tea Ambassadors for awareness creation
- Participation in Diaspora Centered Missions and Activities;
- Market Intelligence;
- Exploitation of potential market opportunities:
  - Importers
  - Marketing Reps
  - Agents
  - Distributors
  - Joint Ventures
- Acting as Market Intermediaries
conclusion

Drawing on success stories e.g. China and India

**Diaspora Linkages** is a vital component of the industry’s Promotional Strategy.

**New constitution** offers tremendous opportunity for Kenyan Diaspora;

**Role of Tea Board of Kenya:**

Provide information & Statistics

Facilitation & Linkages
Thank You
Our contacts

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