

VALLIS REPORT
THE TEA INDUSTRY IN AFRICA



© **Figure 1:** Taken from Beverage Daily.com - <https://www.beveragedaily.com/Article/2014/08/06/Coke-launches-initiative-to-ensure-ethical-Kenyan-tea-production>

Introduction

The tea industry was founded in Africa by British settlers in the early 20th century in Kenya, Uganda, Malawi, and Tanzania, followed by Zimbabwe in the 1920's and the West Cameroons in the 1950's. Portuguese settlers planted tea in Mozambique in the 1930's. Belgian settlers began planting it in the DRC in the 1940's, in Burundi in the 1930's and Rwanda in the 1950's. After the end of the colonial era circa 1960-61, commercial tea cultivation began in further countries, including Zambia and South Africa in 1964 and Ethiopia in the 1970's.



Figure 2: Tanzania tea plantation

<https://www.ahmadtea.com/focus-on-africa-tea-in-tanzania/>

Tea is now a huge industry, increasing each year, as shown in Figure 3, with 6.4 million tonnes traded across the world in 2019. This number is forecast to be 7.7 million tonnes in 2025. In monetary terms, the global tea industry is worth over US\$14 billion.

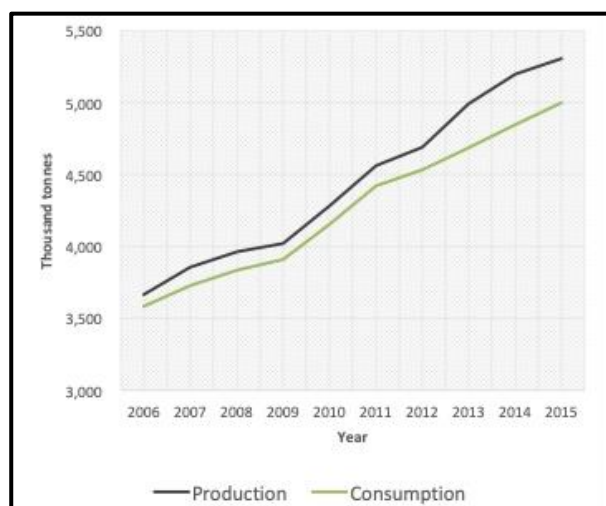


Figure 3: World tea production and consumption, 2006-2015, (ITC, 2016)

The total amount of tea produced in 2017 by Africa's 14 tea producing countries was 654,000 tonnes. This made up 11.2% of global tea

production, with the majority of the rest being produced by China and India.

Who are the top producing countries in Africa?

1. KENYA

Kenya is the leading producer in Africa, and third largest in the world, with an output of 440,000 tonnes in 2017. This is partly due to the local climate – the soil, high altitude, long sunny days and generous rainfall all create the ideal conditions for growing tea. Kenya also has the acreage, with 1577 square km use for growing tea, split between 565,000 small tea growers.

Recently, marketing strategies have been employed, with the aim of promoting the value of Kenyan tea. Firstly, Kenyan tea has become more of a key ingredient in breakfast blends and milk teas. Secondly, it has become much more widespread in the UK, largely under the Marks & Spencer brand. In the past few years Kenya has also been focusing on the promotion of speciality orthodox teas, particularly from Kericho and Kangaita. Another new focus was the creation of TRFK 306/1, also known as Kenya Purple Tea. Kenya Purple Tea is drought and frost resistant, and is the only known cultivar to contain high levels of anthocyanin, which makes the leaves a beautiful purple colour and also makes the tea an antioxidant.



Figure 4: Kenya Purple Tea

<https://www.ourspecialtea.shop/shop/kenyan-purple-leaf>

Aside from the purple tea, Kenya produces mostly black teas, although green tea, yellow tea and white teas are also produced.

2. UGANDA

Uganda is Africa's second biggest producer, with 54,000 tonnes produced in 2017. With similar climatic conditions and favourable soil, Kenya and Uganda both had reasonably equal tea industries at the start of the 1900's. However, between 1970 and 1981 the political state of the country destroyed almost all agricultural and industrial structures, ruining the tea industry. Foreign investment and development funding combined with expert knowledge of tea cultivation has increased the yield from 5,000 tonnes in 1989, to 25,000 tonnes in 1999, up to the 54,000 tonnes it is at today, although unfortunately the quality has yet to be restored. According to the Ugandan Tea Association (UTA), Uganda has 2000 square km suitable for tea production, although only 10% of it is currently used.

Uganda produces teas of average quality, generally produced in order to create blends.

3. MALAWI

Malawi is the third largest tea producer in Africa; in 2017, Malawi produced 45,500 tonnes. Despite a promising start in the 1900-50's, the tea industry was held back by minimal acreage and limited rainfall, allowing Kenya and Uganda to flourish. An area of 188 square km is used, mostly in Southern Malawi but also at the Nkhata Bay on the western shore of Lake Malawi. The tropical climate, when combined with the rainy season in October to April has optimum conditions, whereas the dry season is less profitable.

Malawian teas have an unusual red colouring which makes them ideal for quality blends.

"To date we have developed 26 cultivars, high yielding and with good drought resistance, which is key for our rather dry climate here. All our cultivars yield leaves that produce bright red liquor." – *Dr Albert Chayanga, former leader of the Tea Research Foundation*

Other tea producing countries in Africa include:

- Tanzania – 34,000 tonnes
- Myanmar – 32,000 tonnes
- Mozambique – 24,000 tonnes
- Rwanda – 22,000 tonnes

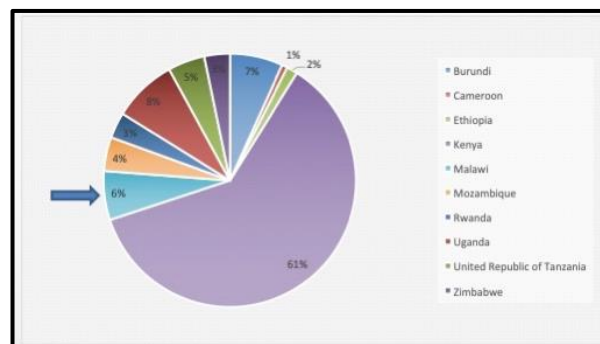


Figure 5: Total tea production for Africa Region in 2016 – FAOSTAT, 2018

How is tea produced?

Nearly 99% of African tea produced is black CTC tea¹, which came originally from Assam, Ceylon and the British Royal Botanical Gardens. During the past 30 years, a further 30 cultivars have been developed by the African Tea Research Foundation (TRF) in Kericho, Kenya, and Mulanje, Malawi.

Africa is ideal for tea growing due to its geographical location as countries close to the equator have the climate necessary for year-round plucking, allowing for continued supplies of fresh tea.

"There is great potential in particular in the countries close to the equator, which produce tea throughout the year appealing to cash conscious buyers who may be put off by the financial constraint that comes with holding large stocks of seasonal teas from the northern hemisphere Asian producers. African producers have become the number one supplier for several of the main black tea importing markets including Pakistan, Egypt and the United Kingdom. Kenyan tea is also growing from a small base to gradually claim a more significant share of the Russian and USA markets." – *Will Battle, The World Tea Encyclopaedia and owner of Fine Tea Merchants Ltd.*

The tea plants can take years to mature before giving any monetary return. The Kenya Purple Tea requires 5 years of care before reaching maturity. Camellia sinensis, the evergreen plant used to produce tea, takes 2 years to become mature and 5 years to reach optimum production. Black tea is formed by crushing or rolling the leaves, then fermenting them by oxidation and finally drying

¹ CTC tea actually refers to a method of processing black tea. Named for the process, "crush, tear, curl" (and sometimes

called "cut, tear, curl") in which black tea leaves are run through a series of cylindrical rollers.

them. When the oxidation process is prevented through pan-firing, green tea is formed.

Once the tea is fully processed, the leaves are then sold directly to buyers or through auction to overseas companies.



Figure 6: A – Black tea, B – Green tea, C – Oolong tea, D – White tea – taken from https://www.canr.msu.edu/fsp/outreach/presentations/tea_malawi_icabr_v2.pdf

Who are the top exporters in Africa?

In 2017, African countries exported 587,000 tonnes of tea, the majority being black tea, making up 33% of internationally traded teas. China and India consume a large proportion of their yield, whereas most African countries do not have as significant a local market and therefore export the vast majority of their tea, only retaining 67,000 tonnes (around 10% of their yield) for domestic use. Tea is moved between countries in Africa however, with the intra-African market forming 25% of African tea exports.

“There is still significant opportunity to increase production acreage, especially through the smallholder sector, while research is delivering cultivars with higher yield and quality potential. With India and China continuing to gear up domestic consumption, the pivotal position of Africa will grow even stronger.” - Will Battle, *The World Tea Encyclopaedia* and owner of Fine Tea Merchants Ltd.

1. KENYA

As well as being the top producer, Kenya is the top exporter of tea in Africa. This has been the case since 2004, as Kenya exports almost 90% of its yield. In 2017, 416,000 tonnes were exported,

making up 23% of the global tea trade. In 2018, exports were worth US\$361 million, according to a recent analysis by WorldsTopExports.com. The biggest importers of Kenyan tea are Pakistan, Egypt, UK, UAE, Russia and Sudan. Tea cultivation within Kenya is divided between big estates owned by overseas companies. 44% of smallholders coordinated with the Kenya Tea Development Agency (KTDA), and 56% with newly founded privately owned Kenyan companies. Kenya is a prime example of a country with excellent inclusion of small-holder farmers within the tea industry, with over 500,000 people involved, making up 70% of the tea industry within Kenya.

2. MALAWI

Malawi is the second biggest exporter of tea in Africa, with exports in 2018 worth US\$83 million, according to a recent analysis by WorldsTopExports.com. Tea is the second biggest export in Malawi, worth 8% of export earnings. There are 17,000 small-holder farmers and 9 commercial estates who work with certification bodies such as Fairtrade, Rainforest Alliance and Ethical Tea Partnership. Over 65% of Malawian tea is sold directly to contacts, with just under 35% sold through auctions.

3. UGANDA

Despite the lower quality, Ugandan tea has found a market in Egypt and Pakistan. Exports in 2018 were worth US\$2 million, according to a recent analysis by WorldsTopExports.com, significantly lower than Kenya and Malawi. However, it has been argued that Uganda’s wet climate will have the advantage in resisting climate change, and as quality steadily improves, Uganda’s tea industry will continue to rise through the rankings.

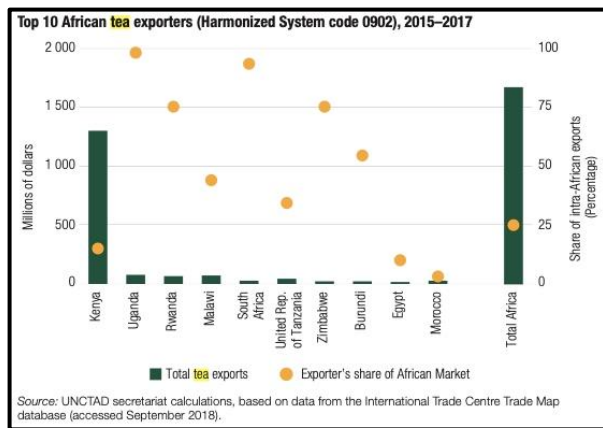


Figure 7: Top 10 African tea exporters, 2015 - 2017

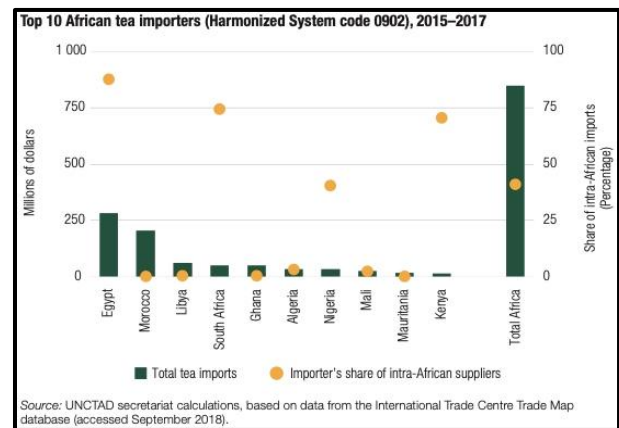


Figure 8: Top 10 African Tea Importers, 2015- 2017

Who are the top importers in Africa?

Between 2015 and 2017, 43% of tea imported to Africa came from China, with an additional 40% from other countries within Africa. The majority of tea imported is green tea, destined for the Maghreb region. Actual figures on imports vary between websites. World's Top Exports, an “educational portal designed to share key business metrics and insights” cites the following top three tea importers in Africa:

1. MOROCCO

Morocco imported tea worth US\$232 million in 2018, according to a recent analysis by WorldsTopExports.com. This included 62,000 tonnes from China in 2019. Mint tea, made from green tea with mint leaves and sugar, is very popular in Morocco, with over 70,000 tonnes consumed every year. Morocco is the top tea importer in Africa and 9th in the world.

2. GHANA

Ghana's imported tea was worth US\$75 million in 2018, according to a recent analysis by WorldsTopExports.com.

3. TOGO

Togo imported tea to the value of nearly US\$68 million in 2018, according to a recent analysis by WorldsTopExports.com

The United Nations Conference on Trade and Development (UNCTAD) produced a report on Economic Development in Africa in 2019 which stated that Egypt was the top importer, followed by Morocco, then Libya, South Africa and Ghana, as shown in Figure 8.

Kenya is a key player regarding tea imports within Africa. Above 90% of Rwandan and Ugandan tea exports and 40% of Burundi and Tanzanian tea exports are taken to Mombasa and sold at auction.

The African Tea Conventions

Kenya coordinated with the East African Tea Trade Association (EATTA) to create the 1st African Tea Convention in Mombasa, Kenya in 2011. The second was in 2013, in Kigali, Rwanda. The third in 2017 in Nairobi, Kenya, with the fourth in Kampala, Uganda, in 2019. The 4th African Tea Convention had attendees from 25 countries, 30 exhibitors, 400 delegates and 22 speakers, including tea traders, blenders, suppliers, brokers, and shippers, as well as members from other parts of the industry, such as financiers, investors, logistic experts and supply chain corporates. Rwanda produced the winner of the overall award with its Rwanda Mountain Tea.

What are the certificates, licenses and other legal documents involved in the supply chain process?

ISO has 30 standards relating to tea and its production, including:

- ISO 3720:2011 specifies the parts of a named plant suitable for producing black tea intended for consumption, and the chemical requirements that indicate the tea has been produced in accordance with good production practice.

- ISO/ TR 12591:2013 contains information regarding the manufacture, chemical analysis, and definition of white tea, specifying plant source and production methods.
- ISO 11287:2011 specifies the parts of a named plant suitable for producing green tea intended for consumption, and the chemical requirements that indicate the tea has been produced in accordance with good production practice.

See [here](#) for a full list of ISO standards relating to tea production.

Sustainability certification is provided by Rainforest Alliance, Fairtrade, UTZ Certified and Ethical Tea Partnership.

- Ethical Tea Partnership work with UNICEF, IDH – Sustainable Trade Initiative, Kenya Tea Development Association, Tea Association of Malawi and over 40 others. They have worked with over 700,000 people to create a more sustainable tea industry.
- Rainforest Alliance supports 900,000 small-holder tea farmers in becoming more sustainable through training and new farming techniques. Rainforest Alliance Certified™ Tea has undergone “annual audits against a rigorous standard with detailed environmental, economic and social criteria”.
- Fairtrade created their own standard – the Standard of the Fairtrade Labelling Organisation - to certify their member's tea as Fairtrade Tea. They provide their organisations with a Fairtrade Minimum Price and a Fairtrade Premium, as well as empowering farmers and workers by improving wages, amongst other things. Fairtrade has 279,323 farmers and workers in Kenya and 14,558 farmers in Uganda.

Country	Premium received (€)	Volume sold as Fairtrade (MT)	Number of POs	Number of farmers	Number of workers	Total number of farmers and workers
Kenya	€ 1,258,262	2,958MT	26	247,422	4,901	252,323

Figure 9: Fairtrade in Kenya – taken from <https://www.fairtrade.net/impact/key-data-fairtrade-tea>

What quality checks are undertaken?

Tea companies conduct multiple quality checks during the supply chain. Harada Tea conducts the following:

1. Material analysis
 - Observational testing
 - Weighing
 - Composition analysis
 - Additive testing
 - Pesticide residue testing
 - Foreign object testing
2. Production line examination
 - Observation testing
 - Composition analysis
 - Microbiological testing
 - Seal testing
 - Oxygen level testing
 - Weighing
3. Product testing
 - Composition analysis
 - Observational testing
 - Foreign object testing
 - Weighing
 - Seal testing
 - Oxygen level testing
 - Microbiological testing

The tea is also checked when it is exported.

Are there any other trends affecting the tea trade in Africa?

There is currently a significant focus on research, aimed at increasing the efficiency of the industry by improving:

- Pest resistance
- Yield
- Quality
- Range of cultivars
- Ability of the crop to cope with climate change

The 2nd African Tea Science Symposium (ATSS), situated in Nyere, Kenya in November 2018 brought together local tea scientists and experts as well as guests from China, India, Sri Lanka and Europe, to discuss this. The symposium focused

on the future of tea – innovative technologies for tea production, product diversification, how to improve value, how to combat climate change and the socioeconomic issues for improving local tea farming.

Moving forward

Manuja Peiris, chief executive of the International Tea Committee (ITC) spoke to Barbara Dufrêne about the future of the tea industry for African countries. He expressed interest in the focus on “production growth without sufficient marketing efforts based on value identity and the lack of incentives for creating the proper business environment in order to encourage value addition”, and was concerned by the lack of Kenyan tea at international trade fairs which are key in establishing reputation, and in the move from focusing on volume to value.

Feed the Future also believe Malawi should concentrate on value addition and increasing visibility, whilst exploring a niche such as green tea varieties. A key part of this will be developing the relationships between small-holders and companies, and reducing the funding gap early on in the supply chain.

Overall, the tea industry is continuing to flourish and there is plenty of opportunity for expansion in the future.

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Tea

Fairtrade

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What requirements should tea meet to be allowed on the European market?

Ministry of Foreign Affairs

<https://www.cbi.eu/market-information/tea/buyer-requirements>

Exceptional Quality Control

Harada

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