

**SPEECH BY MR. TITUS G. KIPYAB, CHAIRMAN, TEA BOARD OF KENYA
DURING THE 6TH NATIONAL TEA DRINKING DAY AND INDUSTRY
AWARDS CEREMONY ON 30TH SEPTEMBER 2011 AT THE HILTON HOTEL,
NAIROBI**

**Our Chief Guest, Permanent Secretary, Ministry of Agriculture, Dr.
Romano Kiome**

Fellow Directors of the Tea Board of Kenya,

Managing Director, Tea Board of Kenya

Your Excellencies Ambassadors and High Commissioners,

CEOs and Directors of Tea industry organizations represented here,

Members of the Press,

Distinguished Guests,

Ladies and Gentlemen

Good evening. It is always an honor for the Tea Board of Kenya to have all of you grace this occasion. As you are aware, this day is set aside to recognize and give awards to winners of Tea Classes and Tea Packers competitions.

Your presence here today signifies the value you attach to this event as an opportunity to interact and share experiences.

I wish to recognize the presence of the Chief Guest, the Permanent Secretary, Ministry of Agriculture, Dr. Romano Kiome. Your presence here today is a demonstration of the importance the Government attaches to the tea industry.

Ladies and Gentlemen;

The agricultural sector, and by extension tea industry continues to make a significant contribution as one of the key pillars of Kenya's economy. In particular, tea remains one of the leading foreign exchange earners and indeed took the lead last year with a record production of 399 Million Kgs and export earnings of Kshs. 97 billion. I am happy to note that prospects for the industry this year remain good, especially in relation to exports; and indeed farmers have received good payments. However, I am quick to recognize that for the local packers the drastic depreciation of the shilling has had phenomenal negative impact since the price of the commodity has become very high. This, against the inflationary pressure that we are all witnessing has had a negative impact on domestic consumption of tea. TBK statistics for August 2011 show that consumption stood at 1.59 Million Kgs which was the same level in August 2010. Further, we have to date witnessed a decline in production in the range of 10% owing to prolonged dry conditions in the East of Rift and unusually cold conditions in the West of Rift which is a pointer towards the impact of climate change as well as the vulnerability of the industry. Were it not for these negative impacts, it is evident that the sector would have performed exceptionally well.

Despite of this mixed bag of fortunes, the industry must continue to play its role as an important contributor to the country's socio-economic development. It therefore needs our continued collective commitment in ensuring the industry's sustainability is maintained. Further, collective action and regular consultation will become ever more important going forward. This is particularly important if this industry will be in a position to contribute towards realization of Vision 2030. It is

on this basis that the Tea Board of Kenya in collaboration with stakeholders is currently in the process of preparing of an Industry Development Strategy.

At this juncture, I wish to recognize the role played by the Government in enabling the growth of the industry. In particular, I wish to appreciate the efforts of the Ministry of Agriculture under the guidance of the Hon. Minister and the Permanent Secretary to drive the necessary reforms geared towards building the policy and regulatory capacity of the industry through a series of actions such as the recent enactment of the Tea Amendment Act. I also appreciate the Government's commitment to support promotion of Kenya Tea both locally and in the international markets. Sustaining and further enhancing this support will no doubt make the Kenya Tea industry globally competitive and accrue benefits to all players in the industry.

Ladies and Gentlemen;

On the part of TBK, we will continue to implement interventions in respect of market development, compliance to legal and international standards, value addition, information dissemination and other support interventions. This will be done through implementation of the Tea Act, Strategic Plan, relevant policy guidelines and benchmarking with other global players. As we discharge these responsibilities, it is also important for stakeholders to commit themselves to adherence of standards, quality and legal provisions. I wish to note that the industry has maintained stability, anchored on solid and well defined structures compared to other sectors; and a high level of discipline which I urge all of us to uphold. As law abiding and peace loving Kenyans, stakeholders should take the lead in discouraging unlawful acts such as tea hawking.

As I conclude my remarks, let me now address myself to the event we are celebrating here today. The Tea Classes Competition now in its 51st year and Tea Packers Competition introduced three years ago have become important initiatives for pursuing the industry's quality improvement and brand development. Further, these initiatives represent the industry's focus on meeting the expectations of the market and attracting better returns. I recognize this year's winners as well as all the stakeholders who participated in facilitating success for the competitions. The success achieved through the competitions is a win for all of us as their outcome reinforces the industry's high standing in the global market.

It is now my joy and duty to invite the Permanent Secretary to address us.

Thank you.

**Titus G. Kipyab, MBS
CHAIRMAN,
TEA BOARD OF KENYA**