THE 7TH AFRICAN TEA CONVENTION & EXHIBITION

Theme: Beyond the Leaf

Session 7: Africa's Future in Global Tea

The Next Decade of African Tea

A Strategic Vision and Priority Market Selection Framework for Global Tea Markets, 2026–2036

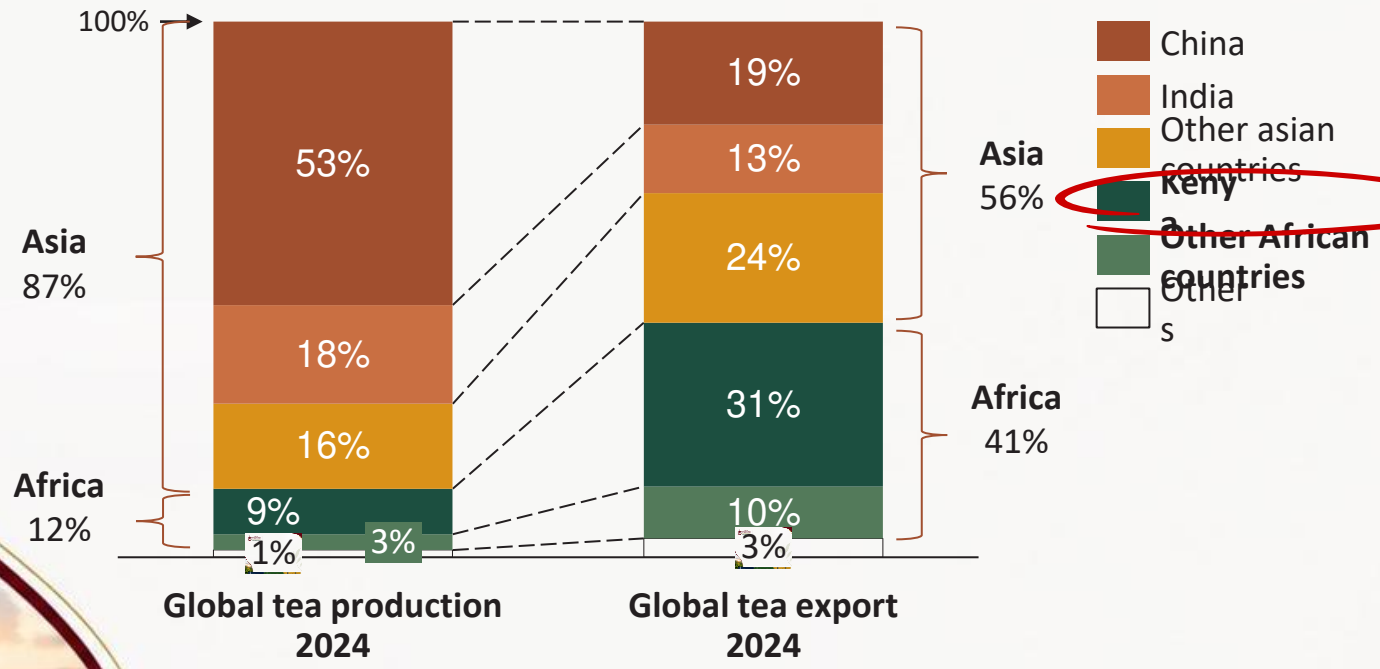
Presented by Willy K. Mutai - CEO, Tea Board of Kenya

TBK TEA BOARD OF KENYA

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Africa's tea exports account for more than 40% of the global market, with Kenya alone, the world's largest tea exporter, holding a share that nearly matches China and India combined

Global tea production vs. export market share



Rank #3
In global tea production

Rank #1
In global tea exports

$1.4B+
Tea export earnings in 2025

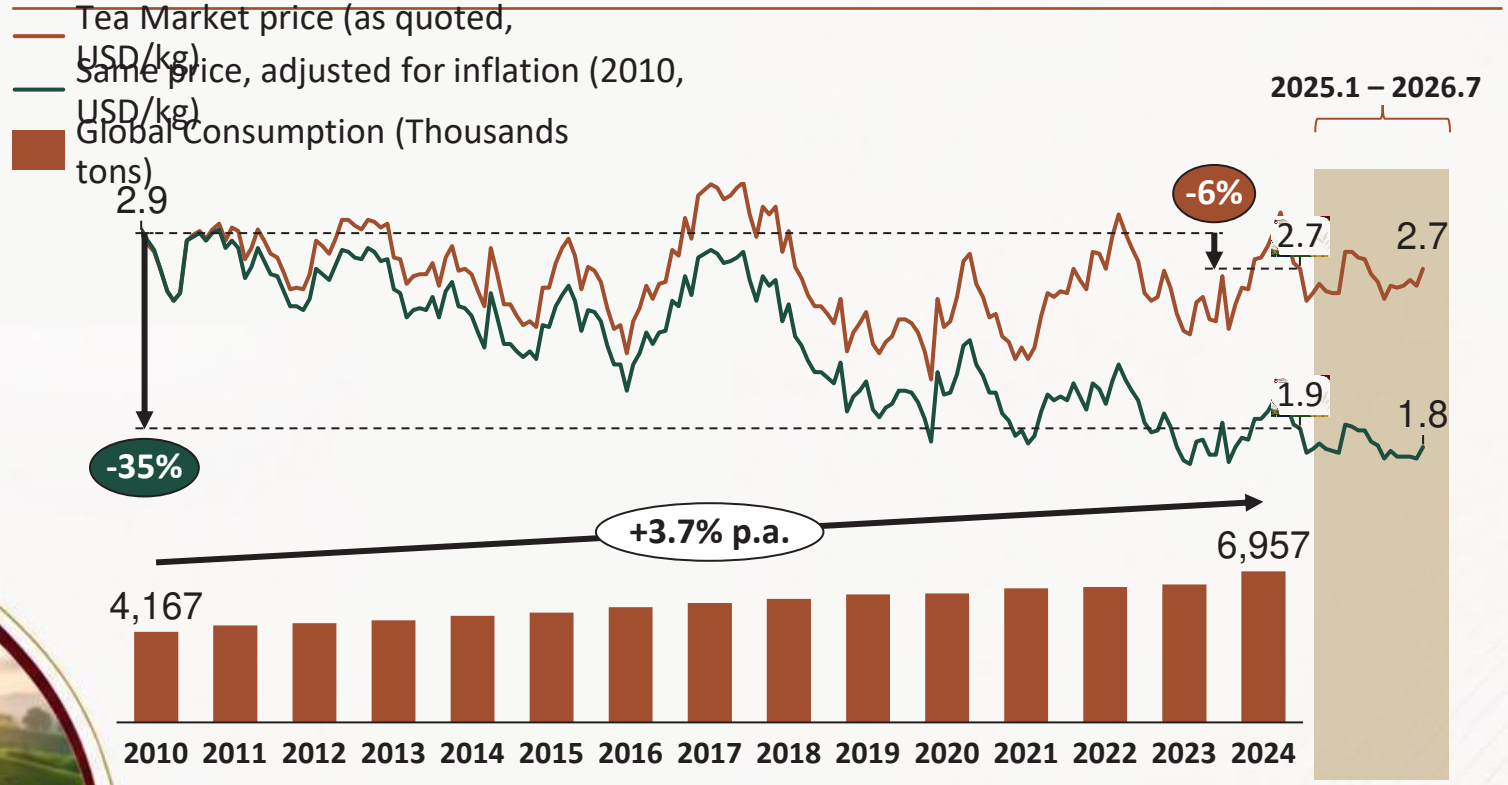
6M+
Livelihoods supported by Kenya's tea sector

Source: International Tea Committee, Kenya National Bureau of Statistics, Tea Board of Kenya analysis

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While tea global consumption is rising steady, real prices have not kept pace

Global tea consumption and International tea market price



+9.8%
Volume growth over 2024

-2.6%
Average export price over 2024

- **Global tea consumption keeps growing**, **rising incomes and health awareness** are pulling demand toward **organic and premium tea**
- **In Kenya, our own volumes are climbing too, as Kenya's production and exports set new records last year**
- **What is actually falling is the price of bulk tea**
  - Between 2010 and 2024, nominal price barely moved (down about 6%), but the real, inflation-adjusted price fell roughly 35%, as **bulk CTC supply stayed ample** while **high-quality tea remained scarce**, and bulk CTC is nearly all of what we export

Note: 1. The red line is what buyers actually paid each month. The green line strips out US dollar inflation since 2010, so it shows whether tea actually got cheaper or more expensive in real terms
Source: International Tea Committee, Food and Agriculture Organization of the United Nations, International Monetary Fund, Tea Board of Kenya analysis

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Five headwinds already shaping this harvest

Climate volatility

1

Erratic rainfall and rising temperatures are already compressing yields in Kenyan and Malawian highlands

Price & levy pressure

2

New export levies and thin, flat price trends squeeze small holder margins even as volumes grow

Limited mechanization

3

Smallholder-dominated production keeps **yields and quality consistency below what premium buyers demand**

Value-chain concentration

4

~97% of output, set largely by Kenya's own mix, is bulk Black CTC, **leaving specialty and branded margins, and buyer diversity, to other origins**

Logistics & infrastructure

5

Auction, port and inland **transport bottlenecks add cost and lead time between farm and final buyer**

Source: Tea Board of Kenya analysis

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Strategic Vision 2026-2036:
Structural adjustment lifts the margin and market selection turns it into returns

A better product raises the price

- About **97% of Kenya's exports still leave as bulk CTC**, priced on auction grade rather than on origin or brand
- **Specialty lines** such as purple tea **are under 3% of the mix today**

THE **MARGIN** LEVER

THE **MARKET** LEVER

The right market pays for it

- **A better product only pays off with the right buyer**
- Market selection is what finds that buyer and collects the difference

Source: Tea Board of Kenya analysis

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The Foundation enables the Climb, and the Climb earns the Market



Reach the right markets

- Five criteria (Scale, Growth, Price realization, Access, Strategic fit) sort buyers into Defend/Anchor, Growth, etc. tiers

Climb the value chain

- Shift the mix toward **orthodox, specialty, branded, traceable tea**, the layer where margin gets built

Build resilient supply

- **Smallholder productivity, certification coverage and climate adaptation** sit below everything else
- Buyers never see this layer directly, but **every claim about quality, traceability or supply above it depends on it holding**

Source: Tea Board of Kenya analysis

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Climate adaptation, certification and cooperative capacity decide what the tea can honestly claim once it moves up the chain

Supply continuity

Enables branded



Back climate-adaptive agronomy across Kenya's Rift Valley and Rwanda's highlands, the two producer bases behind Mombasa's regional auction

Traceability

Enables traceable



Expand sustainability certification to the traceability bar today's premium buyers expect

Quality at scale

Enables Orthodox & Specialty



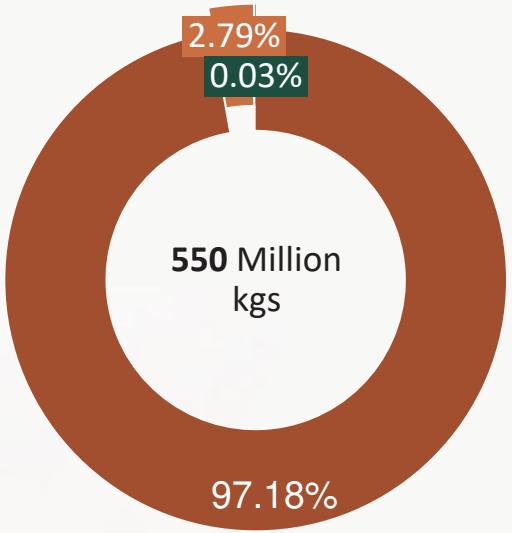
Build mechanization and cooperative capacity so quality holds as the mix shifts toward orthodox and specialty

Source: Tea Board of Kenya analysis

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The product mix a factory chooses decides how much of the crop earns more before it ever reaches the Market

Tea production of 2025 in Kenya



- CT C
- Specialty - Black Orthodox
- Specialty - Green & Purple, etc.

Auction	Avg. auction price[1]
CTC	USD 2.28/kg
Orthodox	USD 3.23/kg

+42%

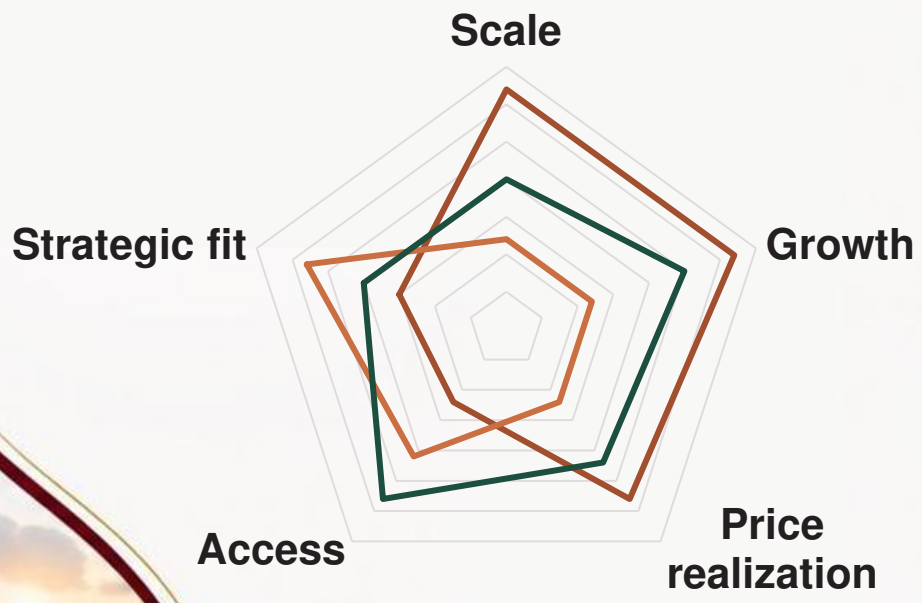
- **Specialty tea**, orthodox included, does not just sell at a higher price. At 42% more per kilogram, it **opens a margin pool CTC alone cannot reach**
- That premium tracks where global demand is actually moving, toward **healthier, higher-quality, more traceable tea**
- **CTC remains, and will remain, the backbone of Kenya's tea economy**. The opportunity is to grow specialty on top of that base, not to replace it

Note: 1. The avg. auction price is calculated basing on Kenya Auction Sale from No. 1 (Jan. 2026) to No. 20 (May. 2026)
Source: Tea Board of Kenya official website, Tea Board of Kenya analysis

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The same Five Criteria decide every market, within Africa or beyond it

Illustrative



1. **Scale**
   - **The size of the prize if we won this market**, current volume moving through it and a realistic share of that. **It sets the ceiling on what this market is worth pursuing**
2. **Growth**
   - **The direction, not just the level**. Scale is a snapshot, growth is where that snapshot is heading, so **a small but expanding market can outrank a large but flat one**
3. **Price realization**
   - Whether this market actually pays for a better product, or treats every shipment as interchangeable bulk CTC. **Structural upgrades only become margin if the buyer rewards them**
4. **Access**
   - How hard it is to physically and commercially get there, **trade terms, logistics routes and lead time all factor in**. A market can score well on paper and still be impractical to serve
5. **Strategic fit**
   - What this market does for us beyond the sale itself. **It might reduce how concentrated our buyer base already is, or turn a transaction into a capability partnership**

Source: Tea Board of Kenya analysis

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Outside of Africa, we must secure our core bases in Pakistan and the UK while unlocking new growth in the Middle East, the Americas, and China

MARKET · OUTWARD

TIER 1 · DEFEND

Pakistan United Kingdom

- Outside of Africa, **Pakistan and the UK are Kenya's top two trading partners**, together commanding nearly 45% of its export market with three-year growth rates of roughly 6% and over 10%, respectively
- For Kenya, **safeguarding this core base and mitigating concentration risk** take precedence over chasing unproven growth

TIER 2 · GROWTH

...

EU Gulf Cooperation Council U.S.A Canada

Small volume, real headroom

- Most Gulf countries, UAE included, have grown over 10% a year for three years running
- With **Africa supplying just 8% of total US tea imports and Kenya representing a mere 19% of that fraction**, **Kenya's footprint is still small**. However, the growth potential stems from this vast market gap, not an existing trend

+

CHINA

- **China is the world's largest tea consumption market by both population and per capita use, and it is broadly self sufficient in bulk tea**
- The opening runs two ways, **equipment, capital and specialty know-how, matcha, orthodox, RTD**, and **increasingly differentiated Kenyan tea finding its way in**, which is why it sits apart from the tiers above rather than inside them

Source: Tea Board of Kenya analysis

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Within Africa, we rely on Egypt as our anchor while tackling cross-border trade friction and infrastructure bottlenecks

MARKET · INWARD

TIER 1 · ANCHOR

- **Egypt is Africa's largest tea importer, accounting** for nearly 25% of total tea imports across the continent
- It also serves as **Kenya's second-largest export destination**

Egypt

TIER 2 · GROWTH

- **Tea imports across these countries achieved a CAGR of over 10% from 2022 to 2024**, with each exceeding 10,000 metric tons in import volume in 2024

Nigeria **Ghana** **Algeria**

- **Tariff & Customs Friction**
  - While AfCFTA tariff concessions exist on paper, implementation delays and persistent non-tariff barriers, such as cumbersome clearance procedures, tedious documentation, and fragmented product standards, continue to impede seamless cross-border trade.
- **Corridor Costs & Logistics Infrastructure**
  - Intra-African transport links are often slower and more costly than maritime shipping routes to traditional external buyers like Pakistan and the UK, explaining why tea volumes predominantly flow outward rather than within the continent.
- **Deficit in Regional Blending & Processing Capacity**:
  - A lack of local blending and packaging hubs means that even when tea moves cross-border, it primarily circulates as raw bulk commodities, leaving the region with the lowest value capture along the supply chain.

Source: Tea Board of Kenya analysis

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The roadmap

Acceleration

- **Scale orthodox and specialty output**, using the mix shift completed in the prior phase
- Open **direct trade lines into the Gulf headroom markets** described earlier
- Deepen the regional corridors already underway (Nigeria, etc. growth markets)

Foundation

- **Launch the market-scoring framework, both outward and inward**
- **Pilot traceability and certification** in 2 to 3 origins
- **Stabilize Tier 1 relationships**

Diversification

- Begin **shifting product mix** from bulk CTC toward orthodox, specialty and branded formats
- **Deepen the China relationship** on two tracks, equipment, capital and specialty know-how flowing in, differentiated tea starting to flow out
- Begin closing the gap in Ghana, Algeria and Morocco as regional processing and blending capacity comes online

Consolidation

- Review the market-tiering framework against a decade of results
- Lock in the mix shift toward orthodox, specialty and branded formats as the new baseline, not a target still being chased

2026-2028 → 2029-2031 → 2032-2034 → 2035-2036

Source: Tea Board of Kenya analysis

Grow the cup. Capture the value.

Africa already grows the liquor the world blends.

The next decade is about whether we still ship it in bulk

or **sell it as *African tea*.**

TEA BOARD OF KENYA

Realizing the Tea Promise

www.teaboard.or.ke

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