



Leading tea exporters globally		
Source: (FAOSTAT, 2024)		
Country	Share in export value	Export Value in \$
Kenya	38.64%	1.30B
Sri Lanka	18.40%	619.28M
India	17.73%	596.69M
China	10.02%	337.37M
UAE	3.38%	113.72M
Argentina	2.10%	70.62M
Malawi	2.09%	70.32M
Germany	1.77%	59.41M
Tanzania	0.77%	26.04M
Jordan	0.75%	25.20M

Market overview

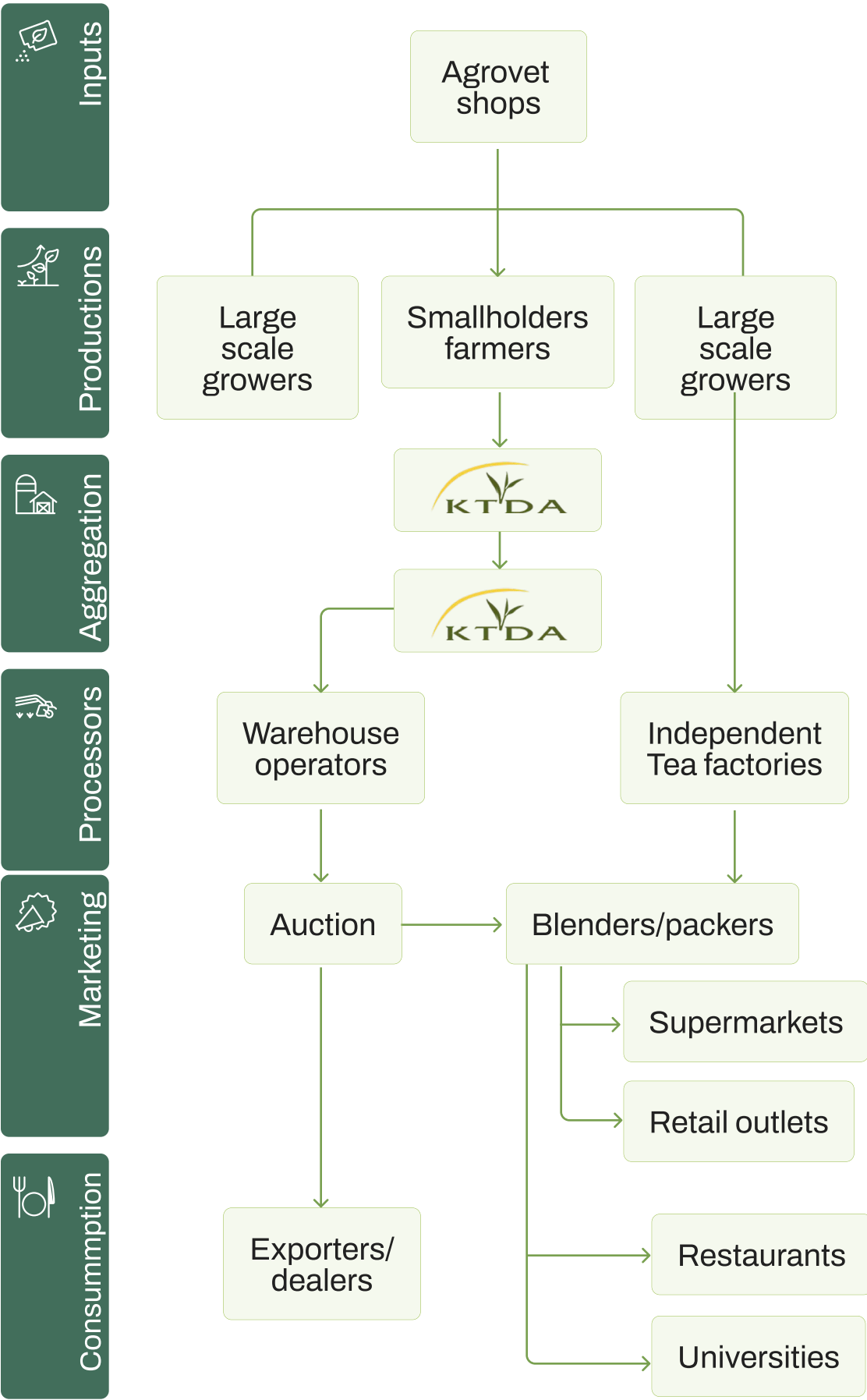
Kenya is the world's leading exporter of tea as of 2023. **It is also the third-largest producer, contributing about 8% to global production**, with both production area and total output increasing.

Main player



- In Kenya, tea production is primarily dominated by smallholder farmers. The state owned organizations provides inputs like fertilizer at lower prices due to economies of scale, importing in bulk, repackaging, and distributing to producers.
- Agro-Vet shops also supply inputs, though on a smaller scale. Large estates and plantations source their inputs directly.
- The main producers are smallholders. There are also warehousing facilities established in Kenya for the purpose of Tea storage.

Value chain

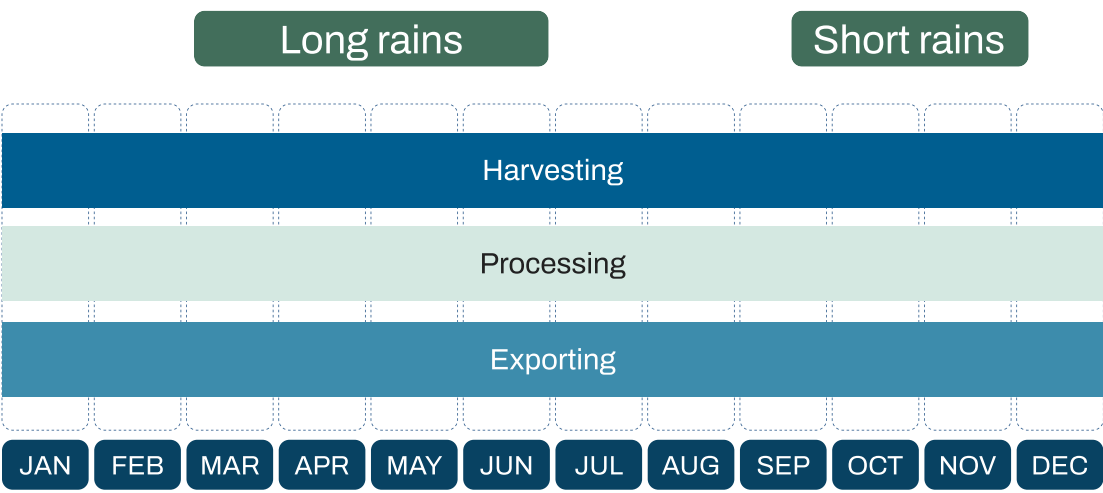


Global Production of Tea - 2023		
Source: (FAOSTAT, 2024)		
Country	Tonnes	
China	14530800	
India	5969000	
Kenya	2326000	
Sri Lanka	1400000	
Turkey	1300000	
Vietnam	1116746.47	
Indonesia	595000	
Bangladesh	440000	
Argentina	355144	
Uganda	326000	

Top Kenya's tea export destination		
Source: (FAOSTAT, 2024)		
Export Destination	Share in Export Value	Export Value in \$
Pakistan	43.24%	556.48M
Egypt	15.92%	204.94M
United Kingdom	7.04%	90.66M
UAE	6.03%	77.63M
Yemen	4.22%	54.26M
Iran	3.47%	44.67M
Russia	2.42%	31.17M
Afghanistan	2.39%	30.82M
Sudan	1.68%	21.66M



Crop calendar

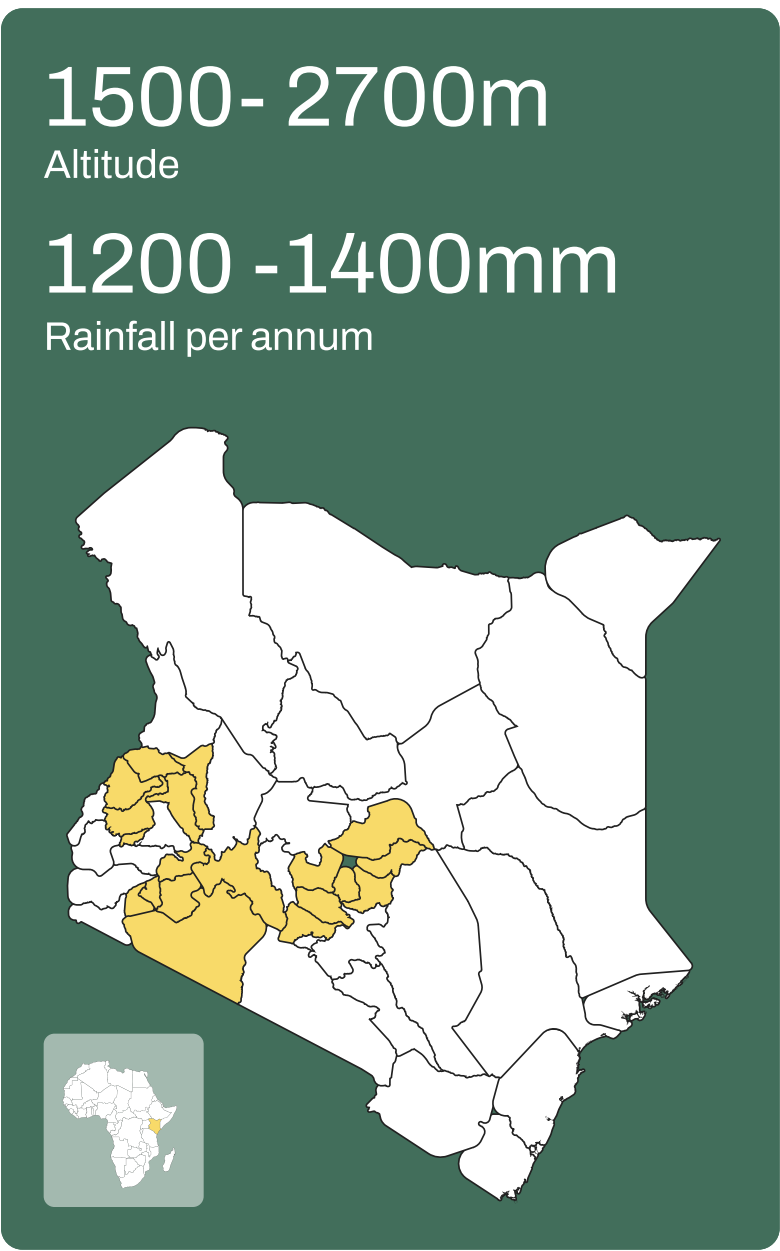


Kenya produces tea year-round with minimal seasonal variations in quantity owing to its location along the equator. Tea harvesting is usually year-round with a plucking cycle of 7-20 days depending on the season. Export of processed tea happens year-round as well.

Sustainability financing

VC Segment	Green Finance Requirements
Marketing	- Solar energy in the production processes - Installation of energy efficient motors - Switching to a more efficient boiler - Production of non-wood briquettes - Reduction of deforestation through alternative biomass sources that can be planted on marginal land - Promote tea value addition by investing in additional processing lines - Reducing tea factories' water pollution levels resulting from the primary processing activities and from supporting activities
Logistics	Supporting investment in the development of high yielding and drought resistant tea cultivars (Tea Research Institute)
Producer	Introduction of shade trees on tea plantations to reduce the impact of rising temperatures
Inputs	The main fertilizer applied is usually inorganic fertilizer, but studies are being undertaken on the use of organic fertilizer

Production areas



Tea is grown in the Kenyan highlands at an altitude of between 1500 meters and 2700 meters above sea level.

Conditions for growing tea include tropical volcanic red soil and favorable weather patterns such as well distributed rainfall of between 1200mm and 1400mm per annum.

Tea is grown in **Bomet, Bungoma, Elgeyo Marakwet, Embu, Kericho, Kiambu, Kirinyaga, Kisii, Kakamega, Meru, Murang'a, Nakuru, Nandi, Narok, Nyamira, Nyeri, Tharaka Nithi, Trans Nzoia, Vihiga.**

Deforestation risk

In the nineteen counties where tea is cultivated, six counties are classified as high- risk deforestation counties and the remaining counties ranging from medium to low risk.

In the nineteen counties where tea is cultivated, six counties are classified as **high- risk deforestation counties and the remaining counties ranging from medium to low risk.**



Challenges and opportunities

Challenges

- Declining tea yields and income margins due to climate change** which adversely affects yields, and tea quality while at the same time reducing the area suitable for tea production.
- Declining tea prices.
- Narrow range of market destination** and buyer concentration inhibit efficient price discovery.
- Limited diversification of tea products.
- Tea processing is an energy intensive process, and the demand for firewood for fuel, especially in processing boilers has been increasing, resulting in **negative environmental externalities as the source of has been from natural forests.**
- Declining tea bushes productivity.
- Limited adoption of drought resistant tea cultivars** owing to huge investment outlays required for genetic modification of the existing tea cultivars.
- Limited access to input finance** among processors for efficient and clean energy technologies.

Opportunities

- Adoption of climate **smart agricultural practices** at the farm-level.
- Investment in the replacement of high yielding tea plants** is another potential area, albeit a long-term investment.
- Adoption of energy efficient technologies** by processors especially investments towards the utilization of solar energy in the production processes (CPW), installation of energy efficient motors, switching to a more efficient boiler and the production of non-wood briquettes.

eco.business fund

The **eco.business Fund** aims to promote business and consumption practices that contribute to the **conservation of biodiversity, the sustainable use of natural resources, and climate change mitigation and adaptation**. By financing business practices that preserve nature and promote biodiversity, the fund seeks investments that generate both **environmental and economic returns**. The fund primarily offers loans to qualified financial institutions, which in turn lend to eligible borrowers. These borrowers include holders of recognized certifications as well as those implementing changes that **support conservation and biodiversity**. The fund supports sustainable operations in the **agriculture, fisheries (including aquaculture), forestry, and tourism sectors**.

Contact
Finance in Motion GmbH
The Address Building, 13th floor, Muthangari Drive, Nairobi, Kenya

www.ecobusiness.fund
info@ecobusiness.fund

