1st African Tea Convention & Exhibition
Recap on the Convention Issues

	Issues	Experiences	Lesson learned and Way Forward
1.	**Global Trends Current Situation And Medium Term Outlook**	1. Global tea industry has recovered from the drought situation for 2010. Mainly due to recoveries made by African and parts of Asia. 2. Despite increase in production, prices remained firm mainly due to per capita growth in emerging economies. 3. In medium term projection suggest that the supply and demand will be at equilibrium state whereas prices will remain relatively stable but lower than price witnessed in the recent past. This projection is based on the assumption that there will be no overreaction in production otherwise the prices may go lower than the historical averages 4. Green tea demand is growing at a faster rate than black tea and this is expected to remain the same in the medium term.	1. Caution needs to be exercised in to avoid over production 2. Demand should be expanded where there is scope in tea producing countries to match the per capita consumption in traditional import markets. 3. Product diversification 4. The health benefits of tea consumption should be used more extensively in promoting consumption in both producing and importing countries 5. Need to recognize the safety and quality standards as marketing tools for potential growth market.
2.	**Production and Supply trends in Kenya**	1. Kenya continues to be among the leading tea producers in the world mainly due to good weather, new high yielding varieties, better husbandry practices and depend on tea as commercial product. However production is not constant and is depended on weather patterns. 2. Tea planted areas has been modest mainly due to limited land for tea cultivation and continued subdivision. 3. Kenya continues to be the global leader in	1. Sustain promotional efforts 2. Product Innovation a 3. Branding and value additions should be emphasized 4. Thorough understanding of the market requirements such as quality, food safety, sustainability, Tastes, Blends .et.c. 5. Use of a composite marketing strategy.

		tea exports 4. Local consumptions though low has been on increase due to promotion efforts 5. Kenya is expecting a decline of 10% on it production in 2011 compared to 2010 mainly due to poor weather condition.	
3.	**Uniqueness of African Tea**	1. Most of African Tea are high grown hence high quality than other teas. The teas are not prone to pest and disease attack . 2. African Tea is grown near the equator which provides stable environmental conditions hence consistency in production and quality. 3. Research has provided superior and many Tea varieties, some of which have potential for very high productivity. 4. There is potential for diversified tea products such as purple tea. This has proven been proven to have high levels of Anthocyanin 5. African Tea have high levels of antioxidants	1. We should strive produce tea as a functional food 2. Market Africa tea as a healthy product 3. Need to diversify into other products such as purple
4.	**The Threat of Climate Change: A Kenya Tea Industry Experience**	1. Due to climate change the frequency and intensity severe weather conditions (Elnino / Lanina related weather phenomena such as drought, frosts and hail) has increased in the last decade 2. Global mean temperatures have also been on the increase 3. In East Africa, there has been noted reduction in glaciers 4. Kenya has experienced temperature rises, decreasing and irregular rainfall trends, increasing frequency of extreme climate events. 5. Decreasing Soil water deficits 6. These changes in weather patterns have led to	1. Preparation of sector based climate change programmes, strategies, policies and projects. 2. Closer collaboration between stakeholders in resource mobilisation to support climate change adaptation activities within the sector. 3. Awareness creation and public education in CC. 4. Intensification of data and information collection and forecasting 5. Any review of brown line in Kenya to take cognizance of improved varieties as well as the impact of climate change.

		harvest losses, lower quality, and may also lead to pest attacks.	
5.	**Adapting to climate change**	1. In Kenya West of Rift has been be identified as an area of high risk in terms of climate change 2. Serious implication of climate change are expected by 2050	1. Selecting more drought and disease resistant varieties 2. Improving ecosystem resilience through environmental conservation including water and soil conservation. 3. Smallholder crop diversification to increase resilience (Increased nutritional food supply, and Income diversification) 4. Exploring other Sustainable energy options (other sources away from wood fuel.) 5. Training tea producers on the implementation of adaptation techniques 6. Record and publish the lessons learnt 7. Awareness creation amongst stakeholders 3. Promoting safe use of agrochemicals 8. Improving environmental management
6.	**Escaping the Commodity Trap**	1. Though tea and coffee share some similarities in terms of production and marketing dynamics coffee has been more successful in certain marketing aspects. 2. Water and juices have undergone re-invention	1. Brand stretching: by creating new brand extensions… 2. Develop New Products: especially with health promise 3. Making tea available. 4. Innovative packaging, exclusivity, functionality, new targets 5. Emotional / physical reasons why it's worth paying more for tea and drinking more of it! 6. Market segmentation based on the *Maslow theory of Human Motivation* (hierarchy of consumer needs) 7. Taking advantage of social networks and

			power of internet.
7.	**Cameroonian Tea Experience**	1. Over dependences on the local market 2. Low acreage under tea	1. Government to encourage export and review its tariff status. 2. Cost of inputs such as fertilizers, herbicide and pesticides should be looked into for possible price reduction or subsidies provided. 3. Need to explore the very big Nigerian market (0ver 150 million people) which is quite close to Cameroon. 4. Local Consumption promotion: Learn to consume what we produce 5. Improve emphasize on food safety and Quality 6. Diversify in packaging: Add value to the tea, like in US with Iced Tea, Lemon Tea e.t.c. 7. Research on variety of tea 8. Promote and advertise medical benefits of tea drinking. 9. Production of Green Tea.
8.	**The Rwanda Tea Sector A Success story**	1. Increases in Cost of Production due to high cost of inputs, energy, etc 2. Global effects of high inflationary tendencies 3. Shortage of wood fuel to fire teas in the factories and impact of wood fuel on environmentalists degradation 4. Market penetration challenges.	1. Improve productivity per unit area to improve on earning due to lack of adequate land for expansion, 2. Insist and persist on Quality 3. Encourage value addition under tea and diversification, 4. Research into Alternative sources of energy.

9.	**Tea and Health**	1. The message that tea is good for human health is inherent in the consumers mind. Consumers are convinced that tea is good for their health. 2. This is a powerful message that differentiates tea from other competitive beverages. (Water, coffee etc.). 3. Tea and health messages have been said in different ways. However, most of them have been based on poor quality information. Other messages have not been passed. 4. The evidence of Tea and health has been gathered for many years. 5. Tea contains antioxidants (Total PolyPhenol – TPP)(Flavonoids and Simple phenolics); Methylxanthines (caffeine, theobromine, theophylline and Amino acids (Theanine). Tea does not contain Tannins Research has shown that tea has high levels of Total Polyphenols and catechins. **Though green teas showed higher** Polyphenols and catechins than black tea, African teas had levels of up to 20%. 6. High Catechins coupled with good manufacture lead to Brisk; High TF; thick and Balanced black tea. 7. Differing EU regulations on health claims are perceived as trade barriers. Experiences in other countries such as Japan, indicates that health claims must be assessed and verified by Ministry of Health, Labour & Welfare.	1. Moving up the value chain (High catechin green teas, Orthodox; and Speciality teas) 2. Communicating the healthy messages more effectively 3. Informing the public on Advances in Science and latest research findings on tea. 4. Harmonisation of Health claims regulations and ensuring that these claims are based on sound science. The regulations should also ensure that the consumer is not being misled. 5. Need more fundamental research. 6. Need a more Holistic view of 'health' including environmental and people as well as industry collaboration in setting standards 7. 'African Tea' needs to help their customers to maintain 'reasons to buy'; through Quality, Safety and Sustainability. 8. Tea has enormous potential to meet the relevance, values and aspirations of the consumers. Health messages can be used to differentiate tea from other drinks. UKTC has made progress in this direction.

10.	**Geographical Indications-the case for Darjeeling Tea**	1. GI is a sign of geographical origin and qualities or a reputation that are due to the place of origin; 2. Apart from DARJEELING Tea other GIs include CHAMPAGNE, SCOTCH Whisky, HAVANA Cigars, COLOMBIAN Coffee ALPHONSO, FENI 3. Protection of DARJEELING Tea has been through legal, administrative and commercial mechanisms both in domestic and international markets; 4. DARJEELING Tea has taken advantage of the fact that GI is entrenched within the WTO rules; 5. Protection against the use of the word DARJEELING Tea and Logo are now been entrenched within the legislation in many countries; 6. Possible statutory means of protection of GI in different jurisdictions include Geographical Indications; Certification marks; and Collective marks 7. Protection of Darjeeling tea has impacted on better domestic prices – use of brokens, fannings, blend corrections; Increased awareness of Protection process amongst trade and industry ; better economic health of the industry ; and better quality of life for the plantation worker 8. Tea Board of India has currently legal battles going on against third party usurpers in over 15 jurisdictions of the world 9. Typical strategy used by Tea Board of India as soon as it receives a watch notice include	1. There is no single mechanism to guard against misuse of a GI. All available mechanisms should be adopted; 2. There are immense gains in protecting a GI; 3. Protection of the GI requires massive resources; 4. Protection of the GI minimizes its misuse; 5. GI is registration under varying legal platforms across the countries 6. GI has to be backed by brand promotion consumer awareness creation.

		writing to the applicant and try for amicable resolution. If not an opposition/cancellation action is filed; 10. Tea Board of India has also deployed agencies world-wide to monitor implementation. It has also engaged attorneys to handle any GI cases.	
11.	**Small scale Tea sub-sector in Kenya-KTDA story**	1. The sub-sector has been in existence for over fifty years. 2. It has evolved from being government owned to privately owned by over 500,000 farmers. 3. The sub-sector has forward and backward linkages along the value-chain. Its investments along the value chain include warehousing, tea exports, local packing and distribution, micro insurance, financial services and renewable energy. 4. Enhancement of area under tea to over 100,000 hectares and processing capacity to 65 factories capable of handling over 800 Million Kgs of Gl per annum. 5. Payment to farmers for GL deliveries has been enhanced to over 40 K.sh per Kg. 6. The sub-sector has acquired certification on Fairtrade, Rainforest Alliance, Good Manufacturing Practice (GMP), and ISO 9001/2008 and 22000/2005. 7. It has enhanced labour productivity and efficiency through modernization, mechanization and automation. 8. The sub-sector has decentralized its services to factories/regions and empowered the farmers.	1. Attempt should be made to harmonize standards and consumer requirements; 2. Continued development of cheaper sources of energy and other cost reduction strategies along the value chain; 3. Continued trials on the impact of mechanization on quality.

		9. Its focus has been on production of high quality teas (two leaves and a bud). 10. Due to high cost of energy, it is developing cheaper alternative energy sources such as mini-hydros and woodfuel plantations. 11. Challenges facing the sub-sector include fluctuating global tea prices; coping with climate changes; rising cost of production (labour, energy & farm inputs); labour shortages; increasing consumer and market requirements (certifications) ; small (less than 0.5 acres) and decreasing smallholder farm sizes; and increasing yields while maintaining quality.	
12.	**Certifications and Standards**	1. Is about Fair trading with consideration of improving the living standard of the poor workforce along the value chain. 2. Environmental conservation and Trading with carbon credit 3.	1. Identify consumer needs and go for certification that will give penetration to new markets. 2. Encourage increase of land under forest cover. 3. Harmonization of standards as the producers is feeling to be overburdened by too many requirements.
13.	**E-Auction Platform**	1. Role of Each of tea trade players in the E-Auction Platform highlighted. No player has been edged out contrary to earlier fears. 2. Cost and Funding of E-Auction platform has been through TB and implementation has been phased out. 3. There are Merits of adopting E-Auction platform 4. Data recovery mechanisms have been put in place. 5. It Provides anywhere access to members. 6. Real time generation of Auction information.	1. Implement the project in phases and incorporating new user requirements is high but the benefits are massive 2. Fault Tolerant Servers hosted in a Tier 3+ Data Centre 3. System Enhancements to go with changes of user needs 4. Multiple lot biding 5. Adopting cloud computing as an enabler of using the system anywhere

14.	**Africa: Managing the Boom**	1. High cost of doing business in Africa due to high dollar rate and cost of oil 2. Rising commodity prices 3. Interest rate decline and increase in the asset financing	1. Debt default measures being implemented in developed economies. However, massive default may affect world economies. 2. Credit rating of most countries is being downgraded. 3. Central banks to ensure that the inflation remain low.
15.	**Benefits of the Mombasa Auctions to the Ugandan Economy**	1. Political instability had resulted in deterioration of the tea production for some time. 2. Land potential for tea planting is not fully exploited 3. Clearing procedures in Kenya for teas on transit is a challenge	1. Streamline procedures on clearing of transit teas. 2. Transit charges to be removed.