



MINISTRY OF AGRICULTURE, LIVESTOCK, FISHERIES & COOPERATIVES

THE TEA ACT, 2020

NOTICE TO ALL TEA INDUSTRY PLAYERS

The Tea Act, No. 23 of 2020 was assented to by H.E. the President on 23rd December 2020 and came into effect on **11th January 2021**.

Pursuant to Sections 32 (4) and 36 (1), (5) and (6) of the Act, the Cabinet Secretary for Agriculture, Livestock, Fisheries and Co-operatives hereby issues the following notices to all tea industry players:-

- (a) All teas processed and manufactured in Kenya for the export market with the exception of Orthodox and Specialty teas shall be offered for sale exclusively at the tea auction floor with effect from **11th March 2021**.
- (b) Payment for tea traded at the auction on **11th January 2021** shall be remitted by tea brokers, buyers and auction organizers to the respective tea factory's account on or before **25th January 2021**. Subsequent payments shall be made within the time period specified in the Act.
- (c) The tea factories shall pay at **least fifty percent** of payment due for the green leaf delivered to the factory on **11th January 2021** on or before **24th February 2021**. Subsequent payments shall be made in accordance with the Act.
- (d) Tea factories shall consolidate payments due to tea growers for green leaf delivered each month provided that the payments are made within thirty days of receipt of the proceeds of sale.
- (e) The monthly payment to tea growers shall be computed by multiplying the monthly proceeds from the sale of tea (auction sales and factory door sales) by fifty percent and dividing it by the monthly green leaf delivered in kilograms.
$$\text{Monthly green leaf price} = \frac{50\% \times \text{monthly proceeds from the sale of tea}}{\text{Total green leaf deliveries for the month (Kgs.)}}$$
- (f) The balance due to the tea grower from the proceeds of sale of tea during the year shall be paid in accordance with the Act.
- (g) With effect from **11th March 2021**, the remuneration paid to a tea broker by a tea factory limited company and a tea buyer/exporter for services rendered shall not exceed zero point seven five percent (0.75%) of the gross sales by the broker
- (h) The remuneration under paragraph (g) above, shall be apportioned between the tea factory limited company and the buyer/exporter as follows:
 - i. Zero point two percent (0.2%) shall be borne by the tea factory limited company.
 - ii. Zero point five percent (0.55%) shall be borne by the buyer/exporter.

For all other matters not provided for in this notice, which are not self-executing and require regulations, status quo should be maintained until the requisite regulations are put in place or until further communication is given.

Dated the **18th Day of January, 2021**

Hon. PETER MUNYA, EGH.

Cabinet Secretary

Ministry of Agriculture, Livestock, Fisheries & Co-operatives