



### Company Profile

Kenya Tea Development Agency Holdings (KTDA) provides comprehensive services to small tea farmers such as agri-extension, transportation, processing, and marketing. It has six subsidiaries including the KTDA Management Services Ltd. which oversees 54 companies that collectively own 65 tea processing factories in which small farmers are shareholders. KTDA was created following the privatization of the parastatal Kenya Tea Development Authority in 2000.

### Base of the Pyramid Reach

More than 565,000 small tea farmers who cultivate over 100,000 hectares in prime tea-growing areas.

Challenge	Strategy	Results	IFC's Role
<ul style="list-style-type: none"> <li>Efficient management of the entire value chain in the small-scale tea sector.</li> <li>Procure tea from farmers, then process and supply to Europe, Asia, North Africa, and the Middle East.</li> <li>Ensure high productivity and quality of green leaf tea; farm and factory-level practices that comply with internationally-recognized environmental and social standards.</li> </ul>	<ul style="list-style-type: none"> <li>Make small farmers the shareholders in the tea companies and processing factories that are critical in the tea value chain, thereby increasing their buy-in and returns.</li> <li>Provide farmers with comprehensive services to grow, transport, process, and market tea.</li> <li>Services include finance, input procurement, agri-extension, processing, logistics, and marketing.</li> </ul>	<ul style="list-style-type: none"> <li>KTDA tea farmers account for over 60% of tea produced in Kenya.</li> <li>Average net return to a KTDA farmer is 75-80%; KTDA tea fetches prices 12% above the average price of tea sold at the world renowned Mombasa auction.</li> <li>Rainforest Alliance has certified 54 factories in sustainable agriculture practices; Fairtrade Foundation has Fair Trade certified 11 factories.</li> <li>Sustainable practices have enabled farmers to increase yields by 36% on average and receive premiums from buyers of Rainforest Alliance certified teas.</li> </ul>	<ul style="list-style-type: none"> <li>Provide US\$12 million loan in 2013 to KTDA to finance the construction of a new warehouse complex for handling and storage.</li> <li>Strengthen the environmental, social, health and safety standards utilized by KTDA.</li> <li>Offer expertise on potential expansion areas for the company, as well as explore opportunities to engage Advisory Services to strengthen KTDA's supply chain.</li> </ul>



### KTDA's Inclusive Business Model

Kenya is the leading producer of tea in Africa and third in the world. The vast majority of tea is grown on small farms. KTDA staff train farmers to improve the productivity and quality of tea yields through techniques such as planting, weeding, and fine-plucking. KTDA also trains farmers in sustainable agriculture practices and helps them meet the requirements for Rainforest Alliance certification. Training topics include agronomic practices, climate change adaptation (e.g. crop diversification) and mitigation (e.g. planting indigenous trees), soil conservation, and water management.

Farmers deliver tea to KTDA buying centers where it is weighed, graded, and valued. A mobile application-based IT system is used to transmit data on tea deliveries to factories and the information is used to pay farmers. Tea is transported from buying centers to factories where it is processed, packaged, and transported for sale in both domestic and export markets.

KTDA purchases fertilizers that are extended to farmers on credit. Repayments are spread over 12 months with deductions taken from monthly payments for the farmer's tea deliveries. KTDA subsidiary Greenland Fedha lends up to 67% of the value of the tea a farmer delivers. Since 2009, 52,000 farmers have received loans to buy farm inputs, tools and equipment, improve tea farming, and support micro businesses. For more information visit [www.ktdateas.com](http://www.ktdateas.com).