THE 7TH AFRICAN TEA CONVENTION & EXHIBITION

Theme: Beyond the Leaf

Session 2: Which Way Africa?

AFRICA'S PRODUCTION ADVANTAGE & STRATEGIC IMPORTANCE

Leveraging Scale Economies and Supply Dominance in the Global Tea Industry

Presented By: Collins Bett – MD KTDA

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Presentation Outline

01 GLOBAL TEA TRENDS

02 SCALE ECONOMICS & SUPPLY DOMINANCE

03 RISKS & STRATEGIC IMPERATIVES

04 BEYOND THE LEAF: STRATEGIC INSIGHTS



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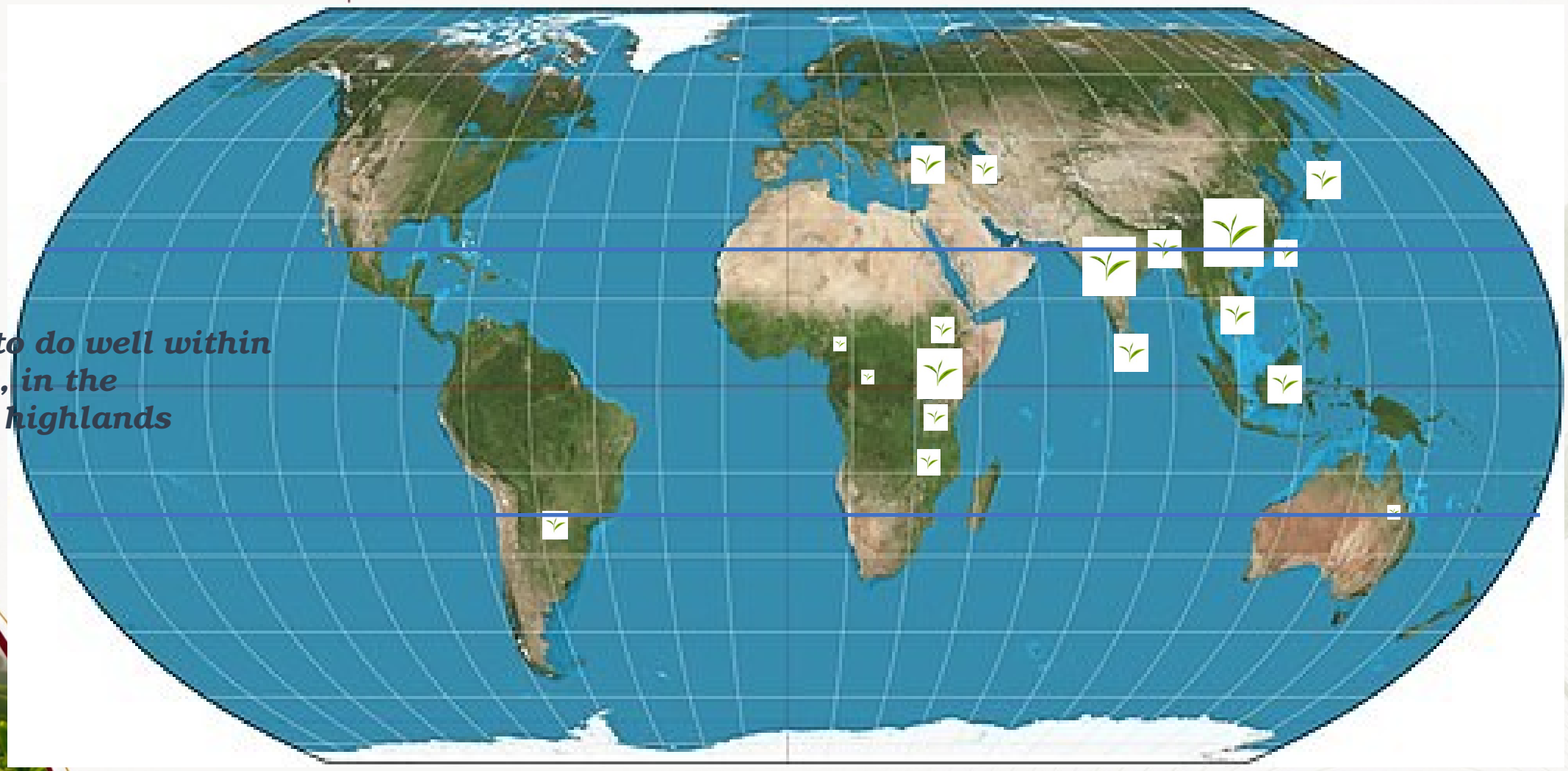
Can the global tea industry meet future demand without Africa?

This convention asks us to think beyond the leaf — beyond raw production, beyond volume alone. If we think seriously about future demand, supply resilience, and affordability, Africa is not peripheral. It is the core answer.



Why Africa?

Tea tends to do well within the tropics, in the equatorial highlands

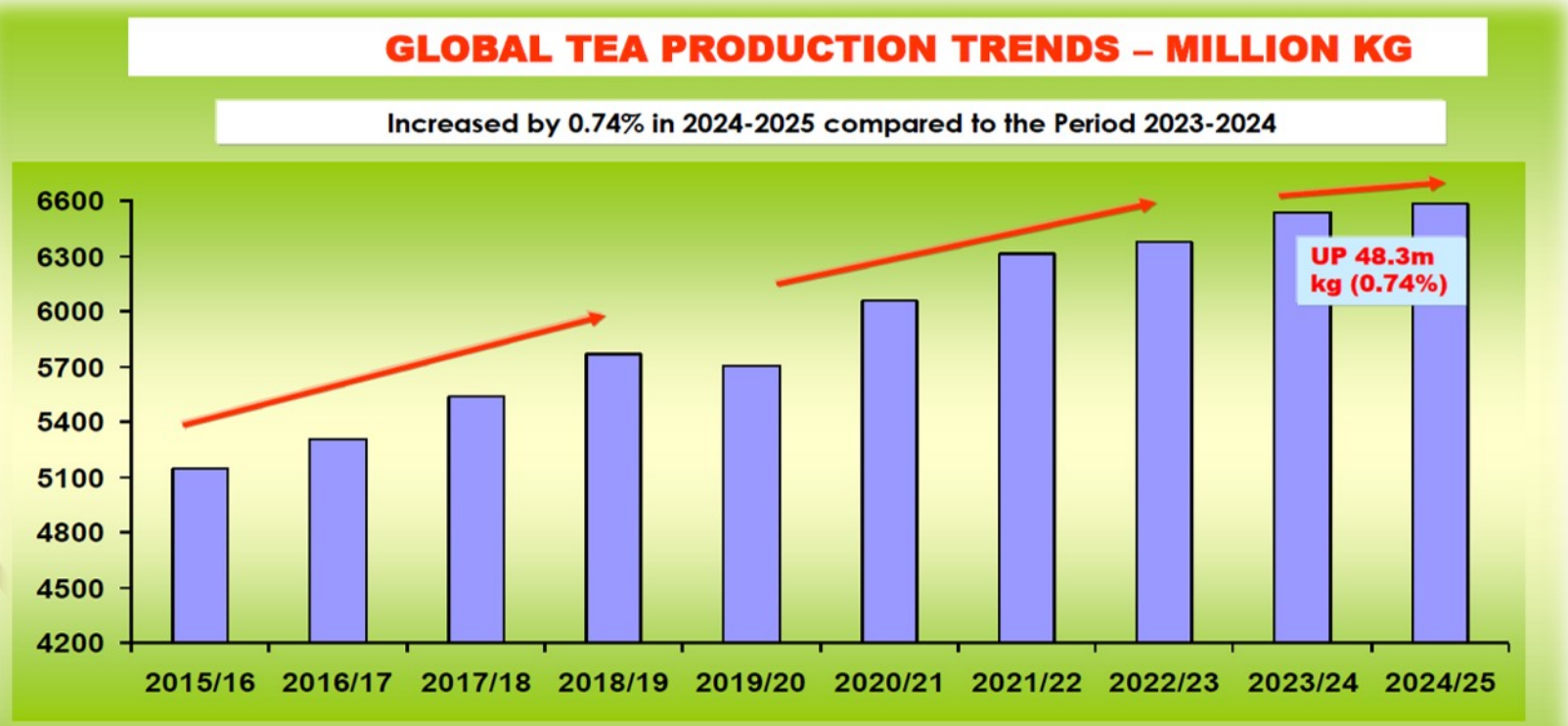


Why Africa?.....

- The continent is a potential powerhouse in the extended tea supply chain, from *bush to brand*, *seed to sip*.....
- Favorable growing conditions (altitude, rich volcanic soils, better rainfall distribution & temperature profile...), all year round in most locations, no winter dormancy
- Generally pesticide free with sustainable production over the last 100+ years and climate change mitigations
- Good quality tea, a strong competitive advantage
- Research in tea agronomy and innovation, strong potential for diversification



Production Trend – 10 years



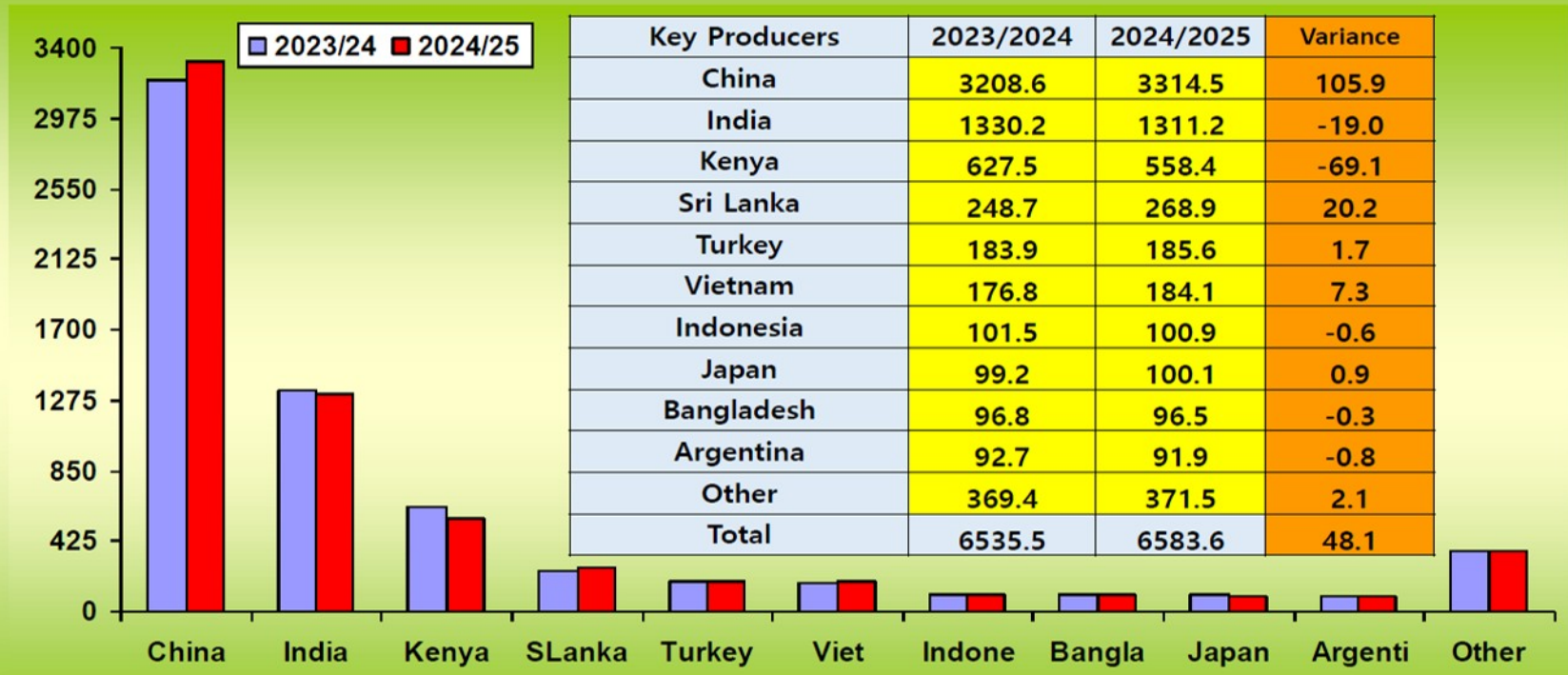
Period	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Volume	5140.5	5306.1	5532.8	5768.8	5702.8	6053.9	6313.4	6378.8	6535.3	6583.6

Global tea production has increased by 28% in the last 10yrs.
Driven mostly by China and partly Kenya



Leading Producers - World

MAJOR TEA PRODUCING COUNTRIES – MILLION KG



Key Producers	2023/2024	2024/2025	Variance
China	3208.6	3314.5	105.9
India	1330.2	1311.2	-19.0
Kenya	627.5	558.4	-69.1
Sri Lanka	248.7	268.9	20.2
Turkey	183.9	185.6	1.7
Vietnam	176.8	184.1	7.3
Indonesia	101.5	100.9	-0.6
Japan	99.2	100.1	0.9
Bangladesh	96.8	96.5	-0.3
Argentina	92.7	91.9	-0.8
Other	369.4	371.5	2.1
Total	6535.5	6583.6	48.1

Kenya is the 3rd largest producer of teas in the world.

Leading Exporters - World

KEY EXPORTING COUNTRIES	2023/2024		2024/2025	
	Quantity – m kg	Export Share %	Quantity – m kg	Export Share%
Kenya	588.2	28.7	566.2	27.7
China	405.5	19.8	410.5	20.1
India	257.9	12.6	262.7	12.9
Sri Lanka	249.5	12.2	253.5	12.4
Viet Nam	143.2	7.0	145.4	7.1
Argentina	83.7	4.1	82.1	4.0
Indonesia	67.6	3.3	67.9	3.3
Other	254.1	12.4	255.9	12.5
Total	2049.7	100.0	2044.2	100.0

When a region accounts for such a meaningful share of world exports, it becomes more than a supplier. It becomes a strategic pillar of the category. That is the lens through which Africa should be viewed.



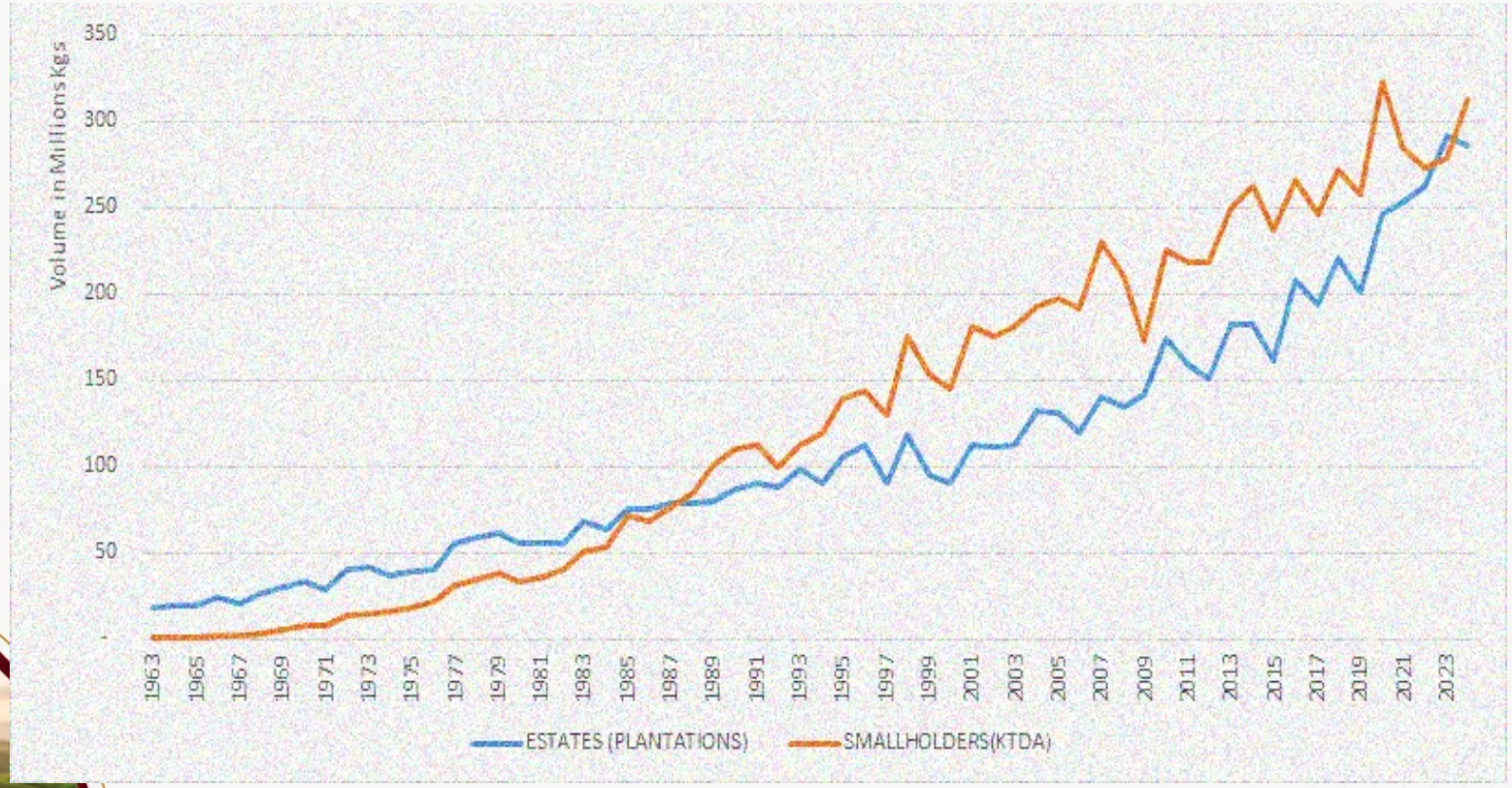
Leading Producers - Africa

COUNTRIES	2023/2024		2024/2025	
	Volume	%	Volume	%
Kenya	588.2	73.41	566.2	72.6
Uganda	64.5	8.05	63.8	8.2
Malawi	45.2	5.64	45.4	5.8
Rwanda	37.9	4.73	38.7	5.0
Tanzania	23.7	2.96	23.5	3.0
Zimbabwe	10.4	1.30	10.6	1.4
Burundi	9.7	1.21	9.7	1.2
Ethiopia	4.9	0.61	4.9	0.6
Mozambique	4.8	0.60	4.9	0.6
Cameroon	4.5	0.56	4.6	0.6
DRC	3.8	0.47	3.7	0.5

Top 12 producing countries in Africa account for 73% of production.



The production scale up – Kenya



Production quantity in Kenya has increased x24in over the past 60yrs from 1963.

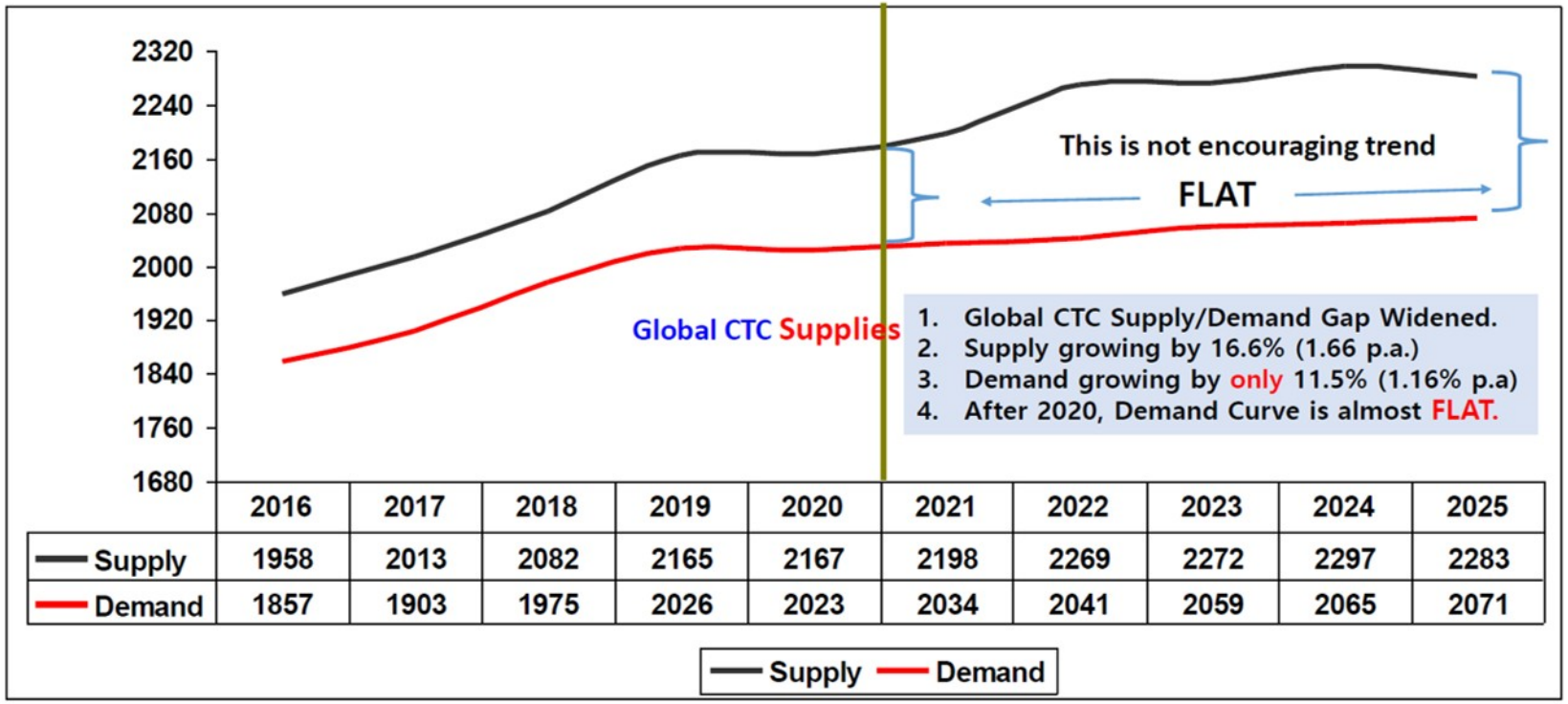


We know how to increase volumes, now is the time to drive value capture. Africa doesn't have a production challenge, the issue is branding....



Supply vs Demand Trend

Global CTC Supplies vs Demand (m kg): From 2016 – 2025*



	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Supply	1958	2013	2082	2165	2167	2198	2269	2272	2297	2283
Demand	1857	1903	1975	2026	2023	2034	2041	2059	2065	2071

Volume alone is not enough. If Africa is central to supply, Africa should also claim a stronger position in the value capture along the extended supply chain

Leading Importers

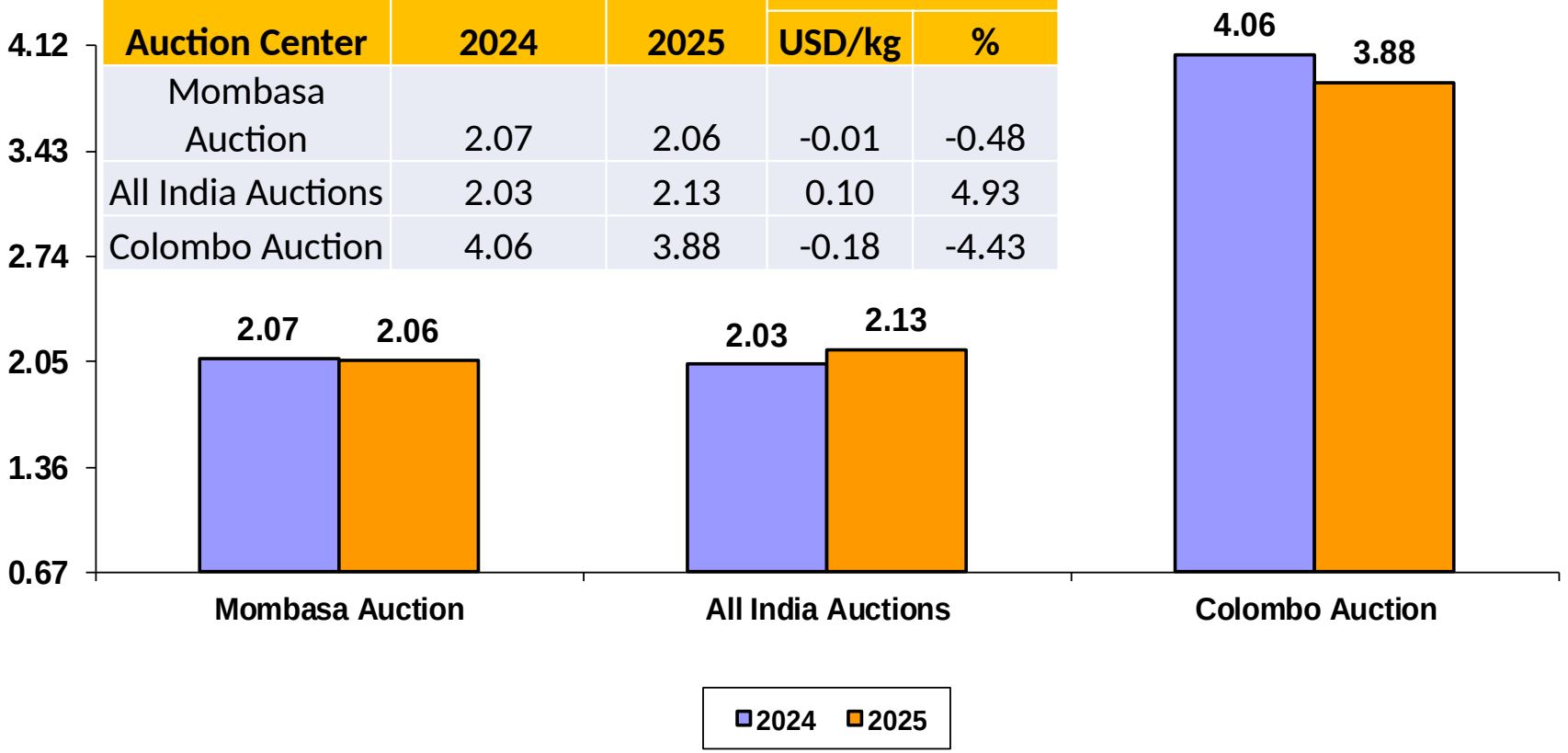
RANK	Top 10 Tea Importing Countries and Key Tea Imports by Type	2023/2024		2024/2025	
		Import Quantity M kg	% Global	Import Quantity M kg	% Global
1	Pakistan - CTC	264	14.0	249	13.2
2	Russia - Orthodox	152	8.1	153	8.1
3	USA - Orthodox	119	6.3	121	6.4
4	UK - CTC	103	5.5	112	6.0
5	Egypt - CTC	90	4.8	94	5.0
6	Iran - Orthodox	87	4.6	85	4.5
7	Morocco –Orthodox	82	4.4	80	4.3
8	Iraq - Orthodox	60	3.2	62	3.3
9	China - Orthodox	52	2.8	54	2.5
10	Germany – Orthodox/HUB	55	2.9	47	2.5
Sub-Total		1064	56.5	1057	55.8
Other		819	43.5	823	44.2
TOTAL WORLD		1883	100.0	1880	100.0

Small pool of importing countries



Comparative Auction Performance

Auction Center	2024	2025	Variance USD/kg	Variance %
Mombasa Auction	2.07	2.06	-0.01	-0.48
All India Auctions	2.03	2.13	0.10	4.93
Colombo Auction	4.06	3.88	-0.18	-4.43



How can we increase the value capture for African Teas?

The specialization on CTC black teas has made Africa essential to global tea supply. However, this implies the export revenues remain heavily dependent on high volume & price taker at the auction.



Strategic Risks and Imperatives

RISKS

- Climate change
- Rising production costs
- Regulatory requirements
- Geopolitical disruptions
- Sustainability expectations

IMPERATIVES

- Step up climate mitigation measures
- Increase productivity; invest in innovation and automation
- Advocacy on regulations
- Deepen market diversification and enhance value addition
- Strengthen sustainability credentials



Some Inferences…

- One of Africa's strongest competitive messages: scale does not have to come at the expense of inclusion and poor value capture in the SC
- In Kenya, smallholder organisation has been an enabler of efficiency, consistency, and supply depth – a unique aggregation model that empowers the farmer from the grassroots.
- Africa's strategic importance must be protected through investment, policy support, climate adaptation, and institutional coordination.
- Supply dominance is a strength. But strength must be actively sustained.

Beyond Producing Leaf Tea…

- Africa *should not remain defined only by leaf production.*
- Africa *should increasingly participate in:*

Value Addition:

- ❑ Packaging
- ❑ Branding
- ❑ Specialty & premium teas

Market Expansion & Branding

- ❑ Middle East & the Americas
- ❑ Eastern Europe
- ❑ Africa – capture the growing middle class

Sustainability Leadership:

- ❑ Carbon-smart tea production
- ❑ Regenerative agriculture & certifications
- ❑ Renewable energy

Digital Transformation:

- ❑ Traceability
- ❑ Data-driven farming & IoT
- ❑ Supply chain transparency

"Own the brand, Own the Story, Own the Future"

The global tea industry must invest **WITH** Africa, not just buy agricultural commodities **FROM** the continent.

- That is, the shift from transactional engagement to strategic partnership.
- With the right strategy, Africa can do far more than meet demand; It can help define the next era of global tea.
- The future lies in owning more of the downstream opportunity – processing, branding, traceability, sustainability, and direct market engagement. Shift from ***volume*** *to* ***value***

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