From Origin to Market : Addressing Bulk Tea Export Challenges

Challenging the Commodity Mindset



Should Africa producers remain within auction-driven price discovery , or actively transition to alternative trade models?

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The African Tea Convention & Exhibition
Nairobi | 16–18 September 2026

Finlays is a global supplier of tea, coffee, and botanical ingredients and solutions to many of the world's best-loved beverage brands, retailers, and food service operators.







Our global network



The big question : Are we exporting tea or exporting value?

The challenge is no longer simply to produce more tea. It is to capture more value from the tea we produce.

TODAY

Produce → auction → bulk export → overseas blending / packing → consumer

THE SHIFT

01	Volume	→	**Value**
02	Commodity	→	**Product**
03	Auction	→	**Market**

THE AIM

01	More differentiation
02	More market access
03	More value retained at origin

Africa's tea paradox

According to 2025 statistics:

7.3mt
Estimated world tea production, 2025

2.0mt
Estimated tea imports, 2025

652.8m kg
Kenya tea exports, Jan–Dec 2025

49.9%
Pakistan + Egypt share of Kenya Jan–Dec 2025 exports

Strong origin. Concentrated markets. Limited value addition.

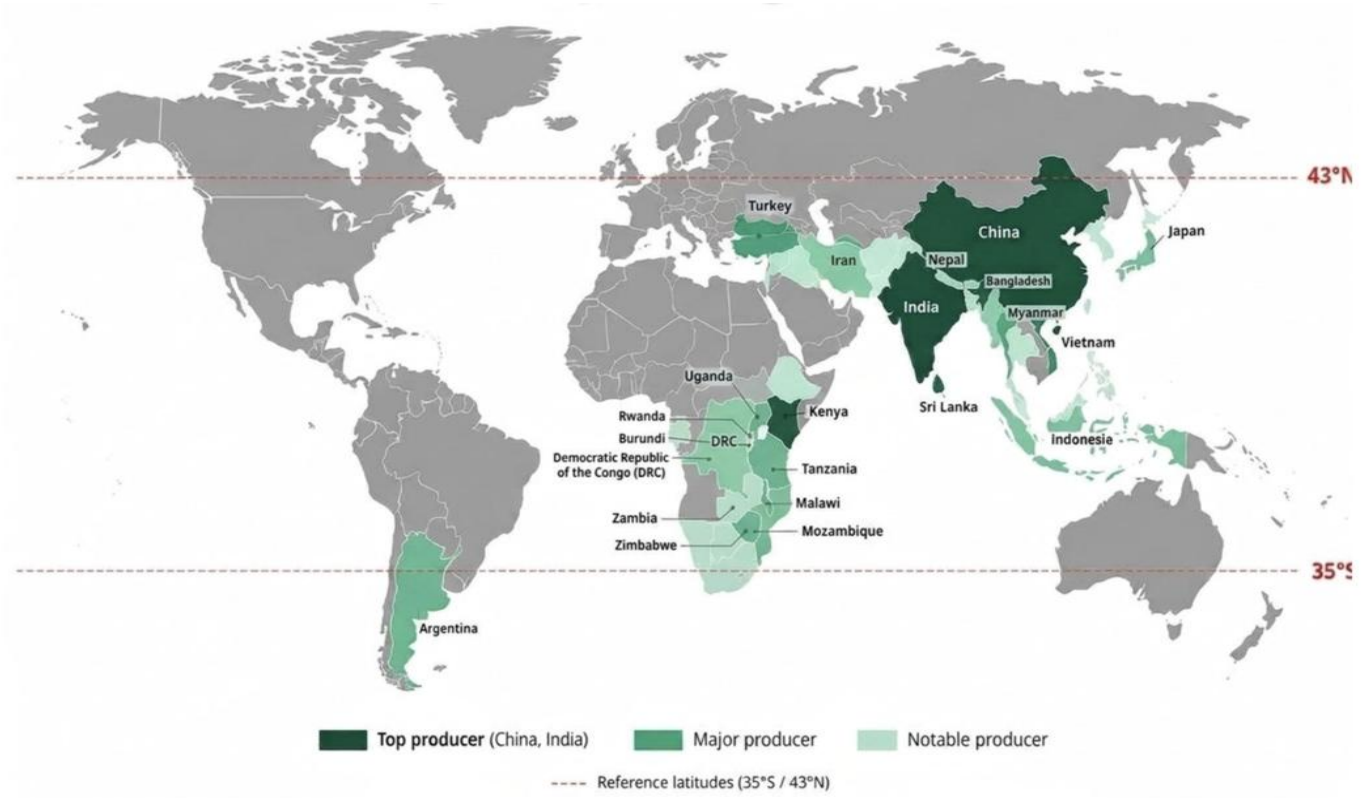
Kenya has global recognition, scale, and established market access, and yet the export model remains heavily oriented toward bulk tea.

The risk:

Market concentration increases exposure to geopolitical, logistics, and demand shocks. Value-added tea was only 3% of Kenya's June 2025 export volume.

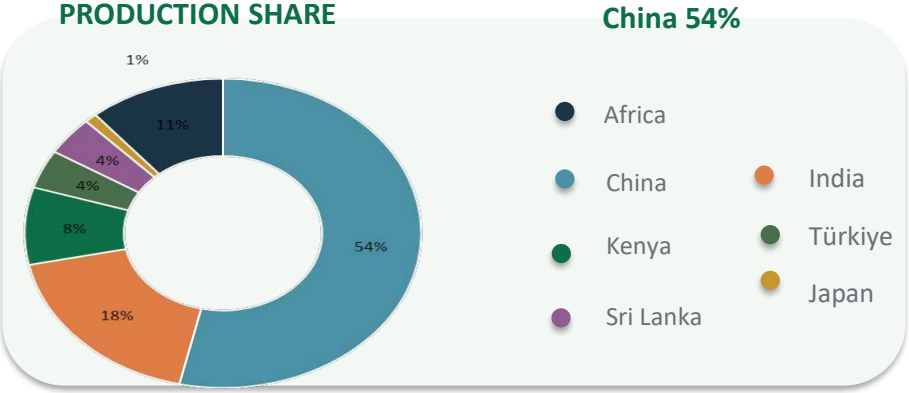
Global Tea Industry Production Metrics (2024–2025)

COUNTRY	ANNUAL PRODUCTION-MT	MARKET CHARACTERIZATION
China	3.7 million	Global volume leader; low-margin bulk green tea.
India	1.35 million	Strong domestic base; high-volume black CTC shipments.
Kenya	550,000	Global workhorse; highly efficient mass commodity black tea.
Sri Lanka	264,000	High-margin origin trading on consumer brand premium.
Japan	80,000	Ultra-premium outlier driven by the matcha wave.



China and India together account for the majority of reported production in this comparison.

PRODUCTION SHARE



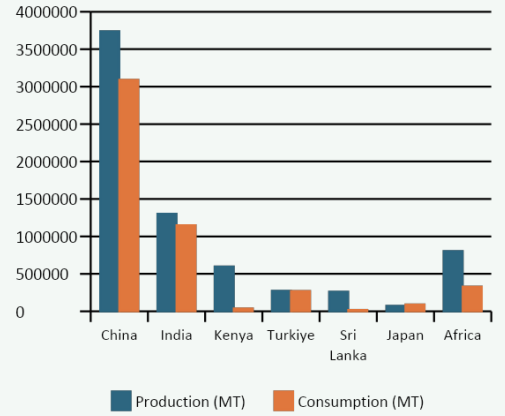
Tea Consumption vs Production vs Population

2024 comparison across major tea-producing countries.

NO.	COUNTRY / REGION	PRODUCTION (MT)	POPULATION (M)	TOTAL CONSUMPTION (MT)	CONSUMPTION PER CAPITA (KG)
1	**China**	3,740,000	1419.32	3,092,780	**2.18**
2	**India**	1,303,530	1450.94	1,148,740	**0.79**
3	**Kenya**	**598,478**	**56.43**	**37,920**	**0.67**
4	**Turkiye**	275,132	87.47	272,300	**3.11**
5	**Sri Lanka**	262,159	23.10	18,580	**0.80**
6	**Japan**	73,900	123.73	91,380	**0.74**
7	**Africa**	**803,323**	**1515.00**	**330,000**	**0.22**

Per capita = total consumption (MT) ÷ population (million) ÷ 1,000 × 1,000 kg.

WORLD TEA PRODUCTION VS CONSUMPTION



WHAT STANDS OUT

China + India
Largest production and consumption bases.

Kenya
Large export orientation; low domestic consumption.

Japan
Small producer; consumption exceeds production.

Global Export Comparison of Export Data 2025

95%
Japan value-added share

50%
Sri Lanka value-added share

35%
India value-added share

20%
China value-added share

4%
Kenya value-added share

Rank	Country	Production (mt)	Bulk export share (%)	Value-added share (%)	Average export value (US$/tonne)	Primary drivers / formats
1	**Japan**	80,000	5	**95**	**38,308**	**Ultra-premium exports driven by matcha, specialty powders, and premium green tea products.**
2	**Sri Lanka**	260,000	50	**50**	**6,266**	**Extensive local packaging, tea bags, and strong Ceylon Tea branding.**
3	**China**	3.7 million	80	**20**	**3,683**	**Large volumes of green tea; increasing exports of specialty and premium loose-leaf teas.**
4	**India**	1.35 million	65	**35**	**3,400**	**Bulk CTC dominates, complemented by growing exports of orthodox teas and retail packs.**
5	**Kenya**	**550,000**	**96**	**4**	**2,643**	**Predominantly exports bulk black tea for overseas blending and packaging, with limited local value addition.**

The lesson is not that one country has "better tea".

- Unit values reflect product mix, processing, quality, destination and re-export activity.
- Origin countries should capture the stages where they can build a defensible advantage.

Major Tea Importing, Blending, Packing & Re-export Hubs

Average export value (US$ per tonne)

	COUNTRY	AVERAGE EXPORT VALUE (US$/tonne) 2025
1	**France**	**23,081**
2	**Poland**	**13,647**
3	Germany	**12,787**
4	Netherlands	**12,015**
5	United Kingdom	**9,667**
6	United Arab Emirates	**8,632**
7	United States	**6,293**

“Value-added and re-export hubs demonstrate the economic importance of downstream activities.”

The bulk-export value chain



Africa is often paid primarily for the commodity attributes of tea.

STAGE	APPROXIMATE SHARE OF FINAL VALUE
Farmer / Producer	8%
Factory	10%
Exporter	12%
Overseas Blender	18%
Packaging	15%
Brand Owner	22%
Retail	15%

WHERE VALUE BUILDS

Brand Owner

22% of final value

Blending, packaging, branding, distribution and consumer insight create additional differentiation and economic value.

Why the commodity model is under pressure

GEOPOLITICS 01

Shipping disruption, sanctions and conflict can lengthen transit and disrupt established corridors.

CONCENTRATION 02

Dependence on a few destinations increases exposure to market and policy shocks.

CAPITAL 03

Longer transit and inventory cycles increase working-capital and financing pressure.

CLIMATE 04

Production and quality variability are becoming more significant commercial risks.

CONSUMER 05

Demand is shifting toward convenience, health, provenance, sustainability and differentiated formats.

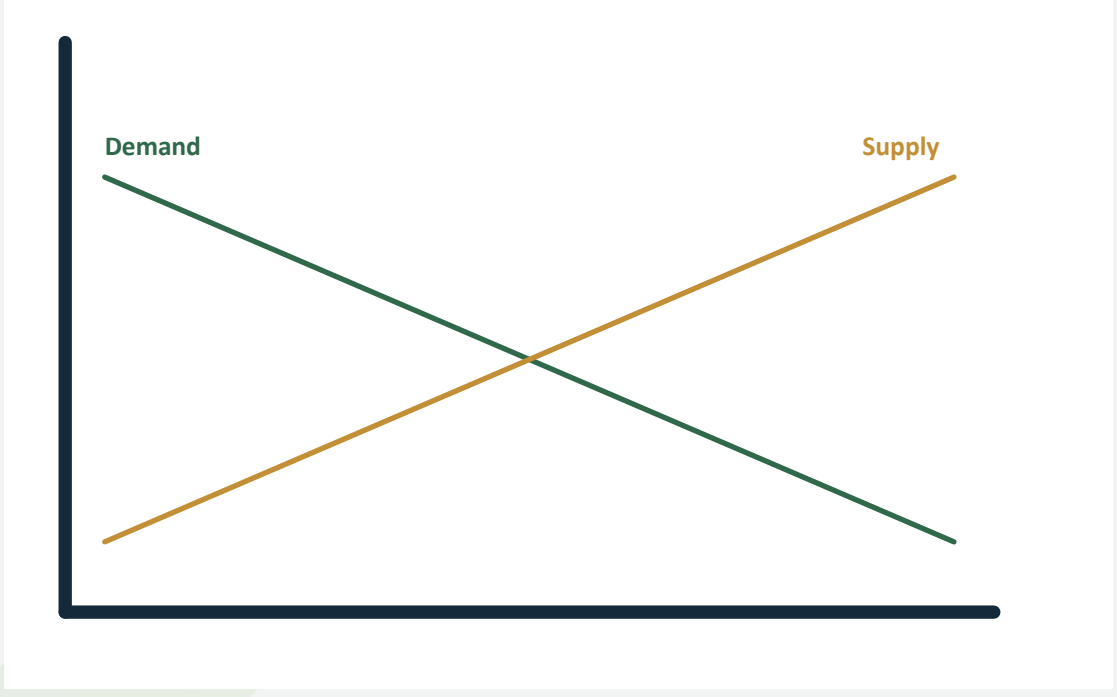
COMPETITION 06

Growing supply makes undifferentiated commodity competition harder.

Resilience is now a commercial issue not just an operational issue.

The consumer is changing

Supply growth alone does not create sustainable value.



CREATE DEMAND FOR DIFFERENTIATION

- Convenience
- Health
- Provenance
- Sustainability
- Specialty
- Ready-to-drink
- Premium formats

Move from selling “tea” to solving a consumer need with a tea product.

The Auction : Friend or Foe?

WHAT IT DOES WELL

- Transparent price discovery
- Liquidity and aggregation
- Broad buyer participation
- Established infrastructure
- International access
- Benchmark pricing

WHERE IT CAN LIMIT VALUE

- Commodity orientation
- Price-led competition
- Limited differentiation
- Weak origin–consumer connection
- Exposure to supply/demand cycles
- Value addition often occurs elsewhere

THE STRATEGIC ANSWER

Not "Auction Vs Alternatives"

Instead:

Auction +

Direct Contracts +

Value Addition +

Private Label / Origin +

Products / Branding

The opportunity is not to replace the auction it is to complement it with routes that capture more value.

Alternative routes to market



AUCTION

Producer → Auction → Buyer
Liquidity + price discovery



DIRECT CONTRACT

Producer → Exporter → Buyer
Relationship + planning



ORIGIN VALUE-ADD

Origin → Blend / Pack → Buyer / Retailer
Differentiation + margin



MARKET-LED

Consumer insight → Product → Origin → Market
Demand pull + value capture

The strategic objective is to build optionality.

From bulk to value



Market insight

Know the consumer, channel and price point.



Product development

Design blends, formats and propositions around demand.



Quality & consistency

Deliver repeatable sensory and technical specifications.



Technology

Invest in blending, packing, extraction and traceability where viable.



Commercial capability

Build private label, brands, distribution and relationships.

Value addition is not simply packaging tea. It is building a commercially differentiated proposition.



Diversify markets and products

Market diversification:

- Protect core markets
- Develop emerging destinations
- Reduce corridor concentration
- Build demand visibility

Product diversification

- Blended tea
- Packed / private label
- Specialty & green tea
- Extracts / RTD / functional formats

The goal is not to abandon volume. It is to make volume more resilient and more valuable.



Source: Tea Board of Kenya data reported Aug. 2025; strategic framework

What producers and exporters must do

01

Produce differently

Quality, consistency, traceability, and differentiated grades.

02

Sell differently

Build direct relationships and longer-term contracts.

03

Add value

Blend, pack, and develop formats where economics work.

04

Understand the consumer

Move beyond buyer specifications to consumer insight.

05

Invest differently

Technology, talent, and market development: with ROIC discipline.

06

Measure differently

Value/kg, contribution margin, cash conversion, and value retained.

The objective is to build a more differentiated, market-led and value-creating export model.

What government & industry must do

ENABLE

Predictable regulation, licensing and export processes.

INCENTIVISE

Tax and investment incentives for viable value addition.

CONNECT

Trade missions, market intelligence and commercial diplomacy.

INVEST

Infrastructure, logistics, testing, technology and skills.

OPEN MARKETS

Address tariffs, standards and market-access barriers. Utilize AfCFTA, establish regional packaging hubs, develop African brands, harmonize standards and reduce logistics costs

COORDINATE

Align producers, exporters, buyers, financiers and research.

Policy should make value addition commercially possible — not commercially compulsory.

Lessons From Global Tea Leaders (Sri Lanka, India, China & Japan)

What Can Africa Learn From Successful Tea-Producing Nations?

COUNTRY	COMPETITIVE ADVANTAGE	KEY LESSON FOR AFRICA
SRI LANKA	Strong “Ceylon Tea” national brand, Geographical Indication (GI), premium positioning	Invest in a unified African origin brand and protect quality through certification.
INDIA	Diverse portfolio (Assam, Darjeeling, Nilgiri), large domestic market, strong private brands	Differentiate products by origin and develop premium specialty teas alongside bulk exports.
CHINA	Heritage marketing, extensive value addition, e-commerce, tea tourism, innovation	Promote origin stories, diversify products, and leverage digital channels to reach consumers directly.
JAPAN	Premium green tea culture, exceptional quality standards, advanced processing technology, strong links between tea and health, innovation in matcha and ready-to-drink (RTD) teas	Compete on quality rather than volume, invest in product innovation, wellness-focused branding, and premium consumer experiences.

FROM ORIGIN TO MARKET

The future of African tea cannot be built solely around producing more tonnes.

It must be built around:

01 **More Value**

02 **More Innovation**

03 **More Market Access**

04 **More Differentiation**

05 **More Value Retained At Origin**

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7th African Tea Convention & Exhibition | Nairobi | 16–18 September 2026

"Build a more resilient, competitive and market-responsive African tea industry."



THANK YOU

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