

SPEECH BY H.E HON. NDERITU GACHAGUA, CHAIRMAN OF THE AGRICULTURE AND LANDS COMMITTEE OF THE COUNCIL OF GOVERNORS, DURING THE NATIONAL TEA CONFERENCE HELD ON MONDAY, 13 OCTOBER, 2014 AT THE SAFARI PARK HOTEL, NAIROBI.

The Chairman, Senate Committee on Agriculture, Livestock and Fisheries.

The Chairman, National Assembly Committee on Agriculture, Livestock and Fisheries.

The Honourable Senators and Members of National Assembly with us this morning.

The Cabinet Secretary, Agriculture, Livestock and Fisheries.

The Cabinet Secretary, National Treasury.

My Fellow Governors with us this morning.

Distinguished Tea Industry Stakeholders with us this morning.

Distinguished Participants

Ladies and Gentlemen

It is my special joy and honour to be with you this morning for this important National Tea Conference. At the outset, I want to thank the Senate Standing Committee on Agriculture, Livestock and Fisheries for organizing this important National Tea Conference. I also want to acknowledge with special gratitude and appreciation the presence of the Chairmen of Agriculture, Livestock and Fisheries Committees of both the Senate and National Assembly; the Hon. Senators and Members of National Assembly present with us this morning; the Cabinet Secretaries for Agriculture, Livestock and Fisheries and the National Treasury, my Fellow Governors, all industry stakeholders and all other participants at this Conference.

Tea is central to Kenya's economy. It is the highest foreign exchange earner, representing 26% of the foreign exchange earnings and also constituting 7% of the country's GDP. The tea industry is also one of the leading sources of income of our farmers and also a leading source of employment of our people in the rural areas. It supports either directly or indirectly about 10% of Kenya's population. Kenya plays a leading role in the global tea industry as Kenya is the third largest producer of tea world wide and the leading exporter of black tea in the world. **What touches on tea, impacts directly on Kenya's economy and also on the well being of a huge cross section of our population.**

We are holding this Conference at a time the tea industry in Kenya is facing an unprecedented crisis, hence the theme of the Conference "**Crisis in the Tea Trade and the way out**". This crisis has caused a hue and cry among our tea farmers and precipitated a level of alarm and despondency unexperienced before in the history of our tea industry.

Much has been explained about the causes of this crisis and mainly the scenario of global tea over production and political instability in some of our key markets in Egypt and the Middle East as the main factors, contributing to our depressed tea prices. The aim of this Conference is to identify specific problems in the tea industry and come up with achievable interventions to redress those problems.

We have concentrated too much time and energy in explaining the external factors contributing to the crisis in the tea industry but **we have not done much to focus on the internal factors causing the crisis**. To get the root and cure to any crisis, you have to get to down to the bottom of the problem and do an honest and complete analysis of the whole range of causes to the crisis. To get cured of any disease, you have to subject yourself to the full diagnosis of the disease and then prepare yourself to take the whole dosage of medicine to cure the disease.

I am pleased to note that all the key stakeholders of our tea industry are present at this Conference. Working closely together and driven purely by the best interests of our tea industry and particularly the over riding interests of our tea farmers, we collectively hold the key to fixing the crisis in our tea industry. **Nobody else will ever do it for us**. We owe it to ourselves, our people and to this nation rise up together in fixing up this debilitating crisis.

As we rise up to this challenge, let us please remember that this is not a moment to be insular, partisan or jaundiced about our own individual sub-sectoral or business interests. It is a time to be driven by the wider interests of the industry in the best interests of all of us in the industry.

This is also a time to be straight, forthright and honest in not only dissecting the ills ailing the tea industry but more importantly in coming up with solutions on the way out to revive the industry.

Let each one of us at this Conference look at himself/herself straight in the face and ask some hard and difficult questions on what is ailing the industry such as.

- Is there anything we could have done in our respective domains of responsibilities to avoid this crisis?
- May we be pursuing any policies or practices in our respective areas of business that may be harmful to the industry?
- Are any of us involved in any malpractices that are mitigating against the best interests of the industry and particularly the interests of the tea farmers?
- Are there some conflicts of interest in the trading or business practices of any of our players that are driving down the industry?
- Are there some governance bottlenecks that are crippling down the industry?
- What rules, regulations or laws do we need to make, strengthen or reinforce to reverse the tide of adversity in the industry?

And finally, what do we need to do in our respective portfolios, and collectively, to improve returns to the farmers as a matter of special national urgency?

There is a near fatigue syndrome in sharing experiences plaguing the tea industry, conference after conference, and the real worth of this Conference will be in coming up with workable solutions in redeeming the industry and, indeed, in the formulation of a clear programme on the way forward in the implementation of the recommendations that will arise from this Conference. Failure to do so will be too painful and costly to contemplate not just for the tea industry but for our national economy.

With these few remarks, I wish you all a very fruitful and successful conference.