KENYA TEA DEVELOPMENT AGENCY (MS) LIMITED

**Press release**

**KTDA Teas Uptake at the Auction Improves**

**Nairobi, Friday, 30th July, 2021** …KTDA-managed factories sold 87% of all teas offered at the Mombasa Tea Auction on July 27, up from 19% sold the previous week as the recently introduced minimum reserve price starts to bear fruit.

The teas were sold at an average of $2.29 per Kg compared to $2.00 the same week in last year's auction, and $1.90 three weeks prior to introduction of the minimum reserve price.

KTDA introduced a minimum reserve price of USD2.43 per kilo of made tea on July 10th 2021, causing a decline in absorption at the auction as the market adjusted to the new guidelines.

The introduction of the minimum reserve price by the new KTDA Holdings board was informed by the need to improve farmers' earnings that had for a long time taken a beating from low prices.

“We are encouraged by the improved tea uptake at the auction, and this is a reflection that our buyers appreciate the need for sustainable tea farming,” Wilson Muthaura, acting KTDA Holdings CEO said.

Prices of tea at the Mombasa Tea Auction have been on a downward trend since 2018 and had this year slid below USD2 which threatened to push farmers to losses as low selling prices cannot cover production costs.

Besides the minimum price at the market, the board will also expect factories to strictly reduce their production costs per kilo of made tea. The factories will also be expected to consistently produce high quality tea that fetches good prices in the market.

KTDA wishes to thank buyers for continuously supporting smallholder farmers and assures them of continued supply of quality teas that meet their requirements.

***Ends***

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