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DIRECTORATE OF DEPARTMENTAL COMMITTEES
DEPARTMENTAL COMMITTEE ON AGRICULTURE AND LIVESTOCK

REPORT ON:

THE TEA (AMENDMENT) BILL (SENATE BILL NO. 1 OF 2023)

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 19 AUG 2025	
DAY.	
TABLED BY:	CHAIRPERSON, DEPT. COMMITTEE ON AGRICULTURE & LIVESTOCK
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DIRECTORATE OF DEPARTMENTAL COMMITTEES
PARLIAMENT BUILDINGS
NAIROBI

AUGUST 2025



TABLE OF CONTENTS

LIST OF ABBREVIATIONS AND ACRONYMS	3
LIST OF ANNEXURES.....	4
CHAIRPERSON'S FOREWORD	5
CHAPTER ONE.....	7
1.0 PREFACE.....	7
1.1 Establishment of the Committee.....	7
1.2 Mandate of the Committee.....	7
1.3 Committee Membership	7
1.4 Committee Secretariat.....	8
CHAPTER TWO	9
2.0 BACKGROUND OF THE TEA SECTOR IN KENYA.....	10
2.1 Introduction	10
2.2 Merits of the Tea (Amendment) Bill, 2023	10
2.3 Demerits of the Bill	10
2.4 Comparative Analysis	11
CHAPTER THREE	11
3.0 OVERVIEW OF THE TEA (AMENDMENT) BILL (SENATE BILL NO. 1 OF 2023).....	12
3.1 Introduction	12
3.2 Regulatory Frameworks	12
3.3 Potential Impact of the Bill	12
3.4 Clause by Clause Provisions of the Bill.....	12
3.5 Gaps not Addressed by the Bill (as Raised by Stakeholders)	13
CHAPTER FOUR	14
4.0 PUBLIC PARTICIPATION/STAKEHOLDER CONSULTATION	16
4.1 The Kenya Tea Growers Association (KTGA)	16
4.2 Council of Governors (COG)	16
4.3 The Tea Board of Kenya	19
4.4 Kenya Agricultural and Livestock Research Organisation (Tea Research Institute).....	27
4.5 Kenya Tea Development Agency (KTDA)	33
4.6 East Africa Tea Trade Association (EATTA).....	49
CHAPTER FIVE.....	54
5.0 COMMITTEE OBSERVATIONS	59
CHAPTER SIX.....	59
6.0 COMMITTEE RECOMMENDATION	60
CHAPTER SEVEN.....	60
7.0 SCHEDULE OF PROPOSED AMENDMENTS	61
REFERENCES	61
	66

LIST OF ABBREVIATIONS AND ACRONYMS

AFA	-	Agriculture Food Authority
A&L	-	Agriculture & Livestock
Cap.	-	Chapter
CBA	-	Collective Bargaining Agreement
CBS	-	Chief of the Burning Spear
CECM	-	County Executive Committee Member
CEO	-	Chief Executive Officer
CoG	-	Council of Governors
CS	-	Cabinet Secretary
CTC	-	Crush Tear and Curl
DDC	-	Directorate of Departmental Committees
Dr.	-	Doctor
EATTA	-	East Africa Tea Traders Association
EPZ	-	Export Processing Zone
GDP	-	Gross Domestic Product
GOK	-	Government of Kenya
Hon.	-	Honourable
KALRO	-	Kenya Agriculture & Livestock Research Organization
KEPHIS	-	Kenya Plant Health Inspectorate Service
KFS	-	Kenya Forest Services
KPAWU	-	Kenya Plantation and Agricultural Workers' Union
KTDA	-	Kenya Tea Development Authority
KTGA	-	Kenya Tea Growers Association
LTD	-	Limited
MEMARTS	-	Memorandum and Articles of Association
MOALD	-	Ministry of Agriculture & Livestock Development
MP	-	Member of Parliament
NA	-	National Assembly
NOPEU	-	National Ordinary People Empowerment Union
NTZDC	-	Nyayo Tea Zone Development Corporation
ODM	-	Orange Democratic Movement
PhD	-	Doctor of Philosophy
PS	-	Principal Secretary
SDA	-	State Department of Agriculture
SEZ	-	Special Economic Zone
TBK	-	Tea Board of Kenya
TRF	-	Tea Research Foundation
TRI	-	Tea Research Institute
TRIEA	-	Tea Research Institute of East Africa
REF	-	Reference
UAE	-	United Arab Emirates
UDA	-	United Democratic Alliance
UK	-	United Kingdom

LIST OF ANNEXURES

1. Adoption Schedule of the Report
2. Minutes
3. Copy of the Newspaper Advertisement
4. Copy of the Letter Inviting Stakeholders for the Meeting
5. A Copy of the Prevention of Tea (Amendment) Bill (*Senate Bill No. 1 of 2023*)
6. Matrix of the Bill
7. Witness Attendance Register for the Stakeholder Engagement Meeting

CHAIRPERSON'S FOREWORD

This Report presents the proceedings of the Departmental Committee on Agriculture and Livestock on its consideration of the Tea (Amendment) Bill (*Senate Bill No. 1 of 2023*), which was published on 6th January, 2023. The Bill underwent its First Reading on 12th November, 2024 and was subsequently committed to the Departmental Committee on Agriculture and Livestock for consideration and reporting to the House, pursuant to the provisions of Standing Order 127.

Comprising seventeen (17) clauses, the Bill seeks to amend specific provisions of the Tea Act (Cap. 343) to enhance protection of tea growers' proceeds from potential mismanagement by factories. It also seeks to incentivize value addition by exempting value-added teas from the Tea Levy, and to liberalise the tea sector by providing legal provisions for the direct sale of tea in overseas markets, thereby creating broader market access for producers.

In accordance with Article 118 (1) (b) of the Constitution and Standing Order 127(3), the Committee placed advertisements in the print media on 4th December, 2024 requesting for memoranda on the Bill from the public and relevant stakeholders. Further, through a letter referenced NA/DDC/A&L/2025/014 dated 3rd June, 2025, the Committee invited stakeholders to a public engagement session on Tuesday, 10th June 2025. During this meeting, five (5) stakeholders made oral submissions before the Committee.

The tea sector remains a critical pillar of Kenya's economy, contributing approximately 24% of national foreign exchange earnings. It supports employment in rural areas and sustains the livelihoods of thousands of smallholder farmers. Additionally, the industry has made significant investments in rural economies and local communities where its operations are based.

In its deliberations, the Committee considered the proposed amendments in light of an out-of-court settlement between the Tea Board of Kenya, the Kenya Tea Growers Association, and the East Africa Tea Traders Association. This settlement aimed to resolve contentious issues raised in constitutional petitions challenging the implementation of several sections of the Tea Act, 2020. The withdrawal of these cases by KTGA and EATTA was based on a mutual understanding that the proposed amendments would be reviewed by Parliament.

While the Council of Governors expressed support for the overall intent of the Bill, it raised concerns about the Bill's failure to address the equitable sharing of tea levies with tea-growing county governments, noting that agriculture is a fully devolved function under the Fourth Schedule of the Constitution. Most stakeholders expressed support for the Bill, citing the urgent need for reforms to revitalize the tea sector. They reaffirmed their commitment to constructive engagement on issues affecting the industry and tea farmers.

The Committee wishes to extend its sincere appreciation to the Offices of the Speaker and the Clerk of the National Assembly for the logistical and technical support extended throughout its sessions. We also acknowledge the valuable input from the Kenya Tea Growers Association, the Council of Governors, the Tea Board of Kenya, the Kenya Agricultural & Livestock Research Organization, the East Africa Tea Trade Association, and the Kenya Tea Development Agency. Lastly, I express my deep gratitude to the

Honourable Members of the Committee and the Secretariat for their dedication and contributions to the development and production of this report.

On behalf of the Departmental Committee on Agriculture and Livestock, and pursuant to Standing Order 199(6), it is my privilege and honour to present to this House the Committee's Report on the Tea (Amendment) Bill (*Senate Bill No. 1 of 2023*).

The Committee has reviewed the Bill and recommends its approval with amendments as outlined in the Schedule under Chapter Seven of this Report.

Hon. (Dr.) John Kanyuthia Mutunga, PhD, CBS, MP
Chairperson,
Departmental Committee on Agriculture and Livestock

CHAPTER ONE

I.0 PREFACE

I.1 Establishment of the Committee

- I. The Departmental Committee on Agriculture and Livestock is one of the twenty Departmental Committees of the National Assembly established under **Standing Order 216** whose mandate pursuant to the **Standing Order 216 (5)** is as follows:
 - i. *To investigate, inquire into, and report on all matters relating to the mandate, management, activities, administration, operations and estimates of the assigned ministries and departments;*
 - ii. *To study the programme and policy objectives of Ministries and departments and the effectiveness of their implementation;*
 - iii. *On a quarterly basis, monitor and report on the implementation of the national budget in respect of its mandate;*
 - iv. **To study and review all the legislation referred to it;**
 - v. *To study, assess and analyse the relative success of the Ministries and departments as measured by the results obtained as compared with their stated objectives;*
 - vi. *To investigate and inquire into all matters relating to the assigned Ministries and departments as they may deem necessary, and as may be referred to them by the House;*
 - vii. *To vet and report on all appointments where the Constitution or any law requires the National Assembly to approve, except those under Standing Order 204 (Committee on appointments);*
 - viii. *To examine treaties, agreements and conventions;*
 - ix. *To make reports and recommendations to the House as often as possible, including recommendation of proposed legislation;*
 - x. *To consider reports of Commissions and Independent Offices submitted to the House pursuant to the provisions of Article 254 of the Constitution; and*
 - xi. *To examine any questions raised by Members on a matter within its mandate.*

I.2 Mandate of the Committee

2. In accordance with the Second Schedule to the Standing Orders, the Committee is mandated to consider, agriculture, livestock, food production and marketing.
3. In executing its mandate, the Committee oversees the Ministry of Agriculture and Livestock Development.

I.3 Committee Membership

4. The Departmental Committee on Agriculture and Livestock was reconstituted by the House on 5th March, 2025 and comprises the following Members:

Chairperson

Hon. (Dr.) John Kanyuthia Mutunga, PhD, CBS, MP
Tigania West Constituency
UDA Party

Vice-Chairperson

Hon. Brighton Leonard Yegon, MP
Konoin Constituency
UDA Party

Hon. Sabina Wanjiru Chege, CBS, MP
Nominated Member
Jubilee Party

Hon. Gabriel Gathuka Kagombe, MP
Gatundu South Constituency
UDA Party

Hon. Ferdinand Kevin Wanyonyi, MP
Kwanza Constituency
Ford Kenya Party

Hon. Monicah Muthoni Marubu, MP
Lamu County
Independent Member

Hon. Geoffrey Makokha Odanga, MP
Matayos Constituency
ODM Party

Hon. Patrick Kibagendi Osero, MP
Borabu Constituency
ODM Party

Hon. Justice Kipsang Kemei, MP
Sigowet/Soin Constituency
UDA Party

Hon. Yussuf Mohamed Farah, MP
Wajir West Constituency
ODM Party

Hon. Jared Odoyo Okelo, MP
Nyando Constituency
ODM Party

Hon. John Okwisia Makali, MP
Kanduyi Constituency
Ford Kenya Party

Hon. Lawrence Mpuru Aburi, MP
Tigania East Constituency
NOPEU Party

Hon. Ruth Adhiambo Busia Odinga, MP
Kisumu County
ODM Party

Hon. David Kiplagat, MP
Soi Constituency
UDA Party

I.4 Committee Secretariat

5. The Committee is facilitated by the following Secretariat:

Ms. Laureen Omusa Wesonga
Clerk Assistant I/Head of Secretariat

Mr. Victor Kanda Kilimo
Clerk Assistant III

Mr. David Ng'eno
Principal Research Officer II

Mr. Shadrack Musyoki
Senior Research Officer

Mr. Gerald Kadede
Legal Counsel II

Ms. Jacinta Maru
Sergeant-At-Arms

Ms. Brigitta Mati
Senior Legal Counsel

CPA Robert Ngetich
Fiscal Analyst I

Ms. Edith Chepngeno
Media Relations Officer III

Ms. Teresia Macharia
Intern

CHAPTER TWO

2.0 BACKGROUND OF THE TEA SECTOR IN KENYA

2.1 Introduction

6. Kenya's tea industry is a vital pillar of the country's socio-economic development. It contributes approximately 2% to the GDP and accounts for about 23% of total export earnings. The sector supports the livelihoods of around 6.5 million people, directly and indirectly, representing nearly 13% of the national population. Furthermore, there are 834,129 registered tea growers spread across twenty-one (21) counties.
7. Kenya produces over 450 million kilograms of tea annually, generating more than Kshs. 120 billion in export revenue and Kshs. 22 billion from local sales.
8. Despite its significant economic contribution, tea farmers continue to face diminishing returns, largely due to rising production, processing, and marketing costs. These challenges have eroded farmers' income and reduced the sector's net contribution to national economic benefits, including foreign exchange earnings.
9. The Tea (Amendment) Bill, 2023 seeks to introduce targeted amendments to the Tea Act, 2020. Its key proposals include:
 - a) Facilitating direct sales of tea to increase farmer earnings;
 - b) Ensuring transparent and timely payment of tea proceeds;
 - c) Safeguarding tea revenues from mismanagement; and
 - d) Promoting value addition and diversification, including the development of specialty teas, to enhance global competitiveness and profitability.

2.2 Merits of the Tea (Amendment) Bill, 2023

The Bill seeks to address several longstanding concerns raised by stakeholders in the tea industry, including:

10. **Facilitation of direct sales of tea:** Introduction of legal provisions for direct sales of tea by licensed factories or their representatives. It mandates that all processed and manufactured tea for export be offered for sale at the auction floor, while also permitting participation in direct domestic and international sales. The Cabinet Secretary for Agriculture and livestock Development, in consultation with county governments, will develop regulations governing the procedure for such sales (Clauses 34A, 36(1), and 36A (1)).
11. **Introduction of a minimum reserve price:** Sub-clause 36A (2) stipulates that tea sold through direct sales must fetch a price higher than the highest auction price recorded in the preceding three months, thereby safeguarding farmer earnings.

12. **Devolution of transport regulation:** The amendment to Section 37 (1) of the Act requires commercial green leaf transporters to register with County Governments rather than the Tea Board. Sub-clause 37 (3) also empowers county assemblies to legislate procedures for registration and appeals, enhancing local governance and streamlining logistics.
13. **Direct settlement system for tea proceeds:** Section 36 (5) of the Act is amended to introduce a Direct Settlement System, ensuring farmers are paid within fourteen (14) days after an auction or sale. This System is to be supported by commercial banks regulated by the Central Bank of Kenya, ensuring timely and secure payments.
14. **Establishment of additional tea auction centres:** Sub-Clause 36 (8) authorises the Cabinet Secretary, in consultation with counties, to establish additional tea auction centres in tea-growing regions, responding to calls from stakeholders in the West Rift for decentralization.
15. **Incentives for value addition:** Section 53 of the Act is amended to exempt specialty and value-added teas (packed in ≤ 10 kg units) from paying the Tea Levy. Additionally, it reallocates Tea Levy funds: 60% to the Tea Board of Kenya (TBK) and 40% to the Tea Research Foundation, eliminating allocations for price stabilization and infrastructure.
16. **Institutional continuity:** The Bill does not propose changes to the existing institutional framework, ensuring continuity in sector governance.

2.3 Demerits of the Bill

The demerits of the Bill include:

17. **Increased management agent remuneration:** Sub-clause 34 (4) proposes increasing the fee payable to management agents from 1.5% to 2% of net sales, which could further burden farmers.
18. **Reallocation of the Tea Levy:** The amendment to Section 53 (5) of the Act removes funding for price stabilization and infrastructure development, potentially undermining long-term sectoral stability.
19. **Lack of a Tea Revolving Fund:** The Bill fails to establish a Tea Revolving Fund, similar to the Coffee Cherry Advance Revolving Fund, which could offer affordable financing to farmers.

2.4 Comparative Analysis

20. Globally, Kenya ranks as the third-largest tea producer after China and India, contributing 8.3% of global production in 2022. Kenyan tea exports represent 24% of global trade, with over 85 international markets including Pakistan, Egypt, the UK, UAE, and Sudan. Kenya's tea remains globally recognized for its quality and flavour.

CHAPTER THREE

3.0 OVERVIEW OF THE TEA (AMENDMENT) BILL (SENATE BILL NO. 1 OF 2023)

3.1 Introduction

21. The Tea (Amendment) Bill (*Senate Bill No. 1 of 2023*) is a Senate sponsored Bill introduced by Senator Hillary K. Sigei, M.P. The Bill is co-sponsored by Hon. Brighton Leonard Yegon, MP. It was passed by the Senate on 8th October, 2024 and subsequently transmitted to the National Assembly for consideration in accordance with legislative procedures.
22. The principal objective of the Bill is to amend specific provisions of the Tea Act (Cap. 343) to enhance protection of tea growers' proceeds from potential mismanagement by factories. In addition, the Bill seeks to incentivise value addition by exempting value-added teas from the Tea Levy, and to liberalize the tea sector by providing legal provisions for the direct sale of tea in overseas markets, thereby creating broader market access for producers.

3.2 Regulatory Frameworks

23. The Bill proposes new and amended regulatory responsibilities as follows:
 - a) **New Section 36 (8):** The Cabinet Secretary, in consultation with counties, will prescribe regulations for auction procedures and the establishment of new auction centres;
 - b) **New Section 36A:** Provides for regulations governing direct sales of tea; and
 - c)
 - d) **Amended Section 37 (3):** County Assemblies to enact laws for the registration of green leaf transporters, including an appeal process in case of denial.

3.3 Potential Impact of the Bill

The Bill is likely to have the following impact if enacted:

24. **Increase in the management fee:** Raising the management fee from 1.5% to 2% could undermine the intended financial benefits to farmers.
25. **Improved marketing and payment systems:** The Bill is likely to improve tea marketing by introducing direct sales and enforcing 14 day payment periods, thereby enhancing farmer liquidity and welfare.
26. **Value addition incentives:** The proposed tax exemptions for value-added and specialty teas are expected to stimulate product diversification, enhance competitiveness, and increase export earnings.

3.4 Clause by Clause Provisions of the Bill

27. **Clause 1** provides for the short title of Bill.
28. **Clause 2** seeks to amend Section 2 of the Tea Act (Cap. 343) by: deleting definition of the words “export” and “import” and substituting therefor new definitions; by amending definitions of the word “tea” and “value addition”; and by introducing and defining the terms “direct sales”, “direct settlement system”, “green leaf” and “tea factory limited company”.
29. **Clause 3** seeks to amend Section 5 of the principal Act to do away with the powers of the Tea Board of Kenya to register commercial green leaf transporters.
30. **Clause 4** seeks to amend Section 7 of the principal Act on the composition of the Board by replacing the Principal Secretary responsible for National Treasury or their representative with a representative of the Independent Producers Association of Kenya.
31. **Clause 5** seeks to amend Section 8 of the principal Act to affect the appointment of a representative of the Independent Producers Association of Kenya in the term of appointment of the Board.
32. **Clause 6** seeks to amend Section 22 of the principal Act to provide that where a Board member of a tea factory limited company is temporarily unable to perform their duties, the Board of the factory may appoint another person from the respective block to act in their place during the period of absence and not the Tea Board of Kenya.
33. **Clause 7** seeks to amend Section 23 of the principal Act to provide for notification to the Board by a large-scale tea grower on any intended sale or transfer of ownership of their holdings six months in advance.
34. **Clause 8** seeks to amend Section 31 of the principal Act to provide for declaration to the Board of all tea brought into the Special Economic Zone or an Export Processing Zone.
35. **Clause 9** seeks to amend Section 34 of the principal Act to enhance the remuneration of services rendered by a management agent from a maximum of one point five per centum of the net sales value of the tea sold per year to a maximum of two per centum.
36. **Clause 10** seeks to amend Section 34 of the principal Act to incorporate the intended new definition of the term “tea factory limited company” in the management agent contract.
37. **Clause 11** seeks to amend the principal Act by inserting a new section immediately after section 34 of the principal Act to provide for the sale of Kenya tea through auction and direct sales and registration of tea processed and manufactured in Kenya.
38. **Clause 12** seeks to amend section 36 of the principal Act to do away with the mandatory requirement of selling tea processed and manufactured in Kenya exclusively through auction, to

allow tea factory limited companies to participate in an auction through approved management agents and ensure that growers are paid within fourteen days from the date of auction.

39. **Clause 13** seeks to amend the principal Act by inserting a new section to provide for direct sale of tea and making of regulations for the direct sale of tea.
40. **Clause 14** seeks to amend section 37 of the principal Act to provide that a person who intends to carry out the business of commercial green leaf transporter to register with the respective county government and not the Board and giving the county assemblies powers to make county specific regulation with respect to that.
41. **Clause 15** seeks to amend section 53 of the principal Act to exempt value added tea from levy and reapportioning the tea levy.
42. **Clause 16** seeks to amend section 74 of the principal Act to correct a grammatical error.
43. **Clause 17** of the Bill seeks to amend section 76 of the principal Act by introducing a transitional provision.

3.5 Gaps not addressed by the Bill (as raised by Stakeholders)

During stakeholder engagement, stakeholders observed that the Bill has the following gaps:

44. **Excessive taxation:** Both national and county governments impose multiple charges, including levies, transport fees, and consultancy fees, increasing farmer costs.
45. **KTDA marketing concerns:** Stakeholders criticized manual bidding and unfair trade practices under the KTDA structure.
46. **Governance issues:** Alleged conflicts of interest in factory management and service outsourcing by TBK remain unaddressed.
47. **Energy costs:** Factories rely heavily on expensive firewood, which accounts for 35% of production costs, due to the stalling of hydro-power projects.
48. **Labour costs:** High CBA-driven labour rates, particularly with KPAWU, continue to strain factory operations.
49. **Broker fees:** The 1.5% per kilogram charge by East Africa Tea Trade Association brokers is above the global average and remains a concern.
50. **Factory governance structure:** The need to reduce the number of electoral zones and directors per factory for efficiency.

51. **Stalled Hydro-power projects:** Farmers continue to repay loans for incomplete projects (e.g. Kapkoros and Kiamokama), with no mechanisms for access to affordable energy alternatives.
52. **Outdated machinery:** Lack of modernization is leading to increased maintenance costs and operational inefficiencies.
53. **Financial transparency:** Stakeholders called for a forensic audit of factory assets and loan portfolios.

CHAPTER FOUR

4.0 PUBLIC PARTICIPATION/STAKEHOLDER CONSULTATION

54. Following the call for memoranda from the public through the placement of advertisements in the print media on 4th December 2024 and vide a letter REF: NA/DDC/A&L/2025/014 dated 3rd June, 2025 inviting stakeholders for a meeting, the Committee received memoranda from the following stakeholders on the Tea (Amendment) Bill (*Senate Bill No. 1 of 2023*):

- i. The Kenya Tea Growers Association;
- ii. The Council of Governors;
- iii. The Tea Board of Kenya;
- iv. The Kenya Agriculture & Livestock Research Organization
- v. The East Africa Trade Association; and
- vi. The Kenya Tea Development Agency

55. The stakeholders submitted as follows:

4.1 The Kenya Tea Growers Association (KTGA)

Ms. Linda Oluoch, Chief Executive Officer, Kenya Tea Growers Association in a meeting with the Committee held on 10th June 2025, proposed the following amendments to the Tea (Amendment) Bill, 2023 on behalf of KTGA:

Clause 2

56. Retain the meaning of “*value addition*” as it is in the Act. This will incentivize value addition, a current priority of the Government through clear, unrestrictive definition.

Committee Observation/Recommendation

The proposal was adopted with amendments by the Committee to capture the correct definition of “value addition”.

Clause 7

57. Delete or clarify the clause by introducing of section 23 (1)(a) and (2) to disclose the interest sought to be protected that requires disclosure to the Board of large-scale tea grower transactions to the exclusion of other agricultural enterprises or tea enterprises will advise the purpose of the disclosure. This is because as a strategic sub-sector to Government, additional requirements for transfer of tea enterprise without appropriate justification presents additional restrictions to the attractiveness of the industry to investors.

Committee Observation/Recommendation

The proposal was rejected by the Committee, the notification to the Board of any intended sale or transfer is important to ensure that the interest of the farmer is protected in such transactions.

Clause 11

58. Adopt the amendment introduced on clause 11, section 34 (a) introducing direct sales of tea overseas. Adoption of the proposal will be favourable to the marketing of Kenya teas (a) the auction; or (b) direct sales. All tea processed and manufactured in Kenya for the export market shall be registered with the Board prior to exportation"

Committee Observation/Recommendation

The proposal was adopted by the Committee since it supports the proposed amendment.

Clause 12

59. Amend the clause by deleting paragraph (e) and maintain the clause in the Tea Act at section 36(7) which allows for competitiveness and disclosure of auction rules by the organizer to the Board. The disruption of the existing auction will destabilize the sector trade and occasion loss of competitive advantages of a centralized, conveniently located auction attracting multiple buyers globally and suitably located to the regional logistics hub at the port of Mombasa.

Committee Observation/Recommendation

The proposal was rejected by the Committee because regulations do not disrupt the auction process but makes the process more efficient. The rules made by the auction organizer under section 36(7) do not amount to regulations.

Clause 13

60. Adopt clause 36A (1) and delete the proposed clause 36A (2) and (3) from the Bill. These stipulate price and procedure for direct sales. There exists a procedure for direct sales and related disclosures which can be monitored through regulatory oversight, and enhanced through digitization of data collection from industry. Provisions in regulations whose implementation can be overseen by the Regulator would also suffice; and may easily be reviewed as appropriate based on the regulator's observations, a flexibility that a provision in the Act will not allow. Also Delete the phrase "in consultation with County Governments" from Clause 36A (4). As indicated, allowing direct sales is advantageous to industry as it opens up avenues for tea marketing and sales.

Committee Observation/Recommendation

The proposal was adopted with amendments to provide that the prices offered at the direct sales shall be competitive and be sold at an average performance price of the last three months. The proposal to delete (3) was rejected by the Committee, it was amended to have the Cabinet Secretary consult the Council of Governors when making regulations.

61. Delete the clause as its anti-competitive prescriptive. The Competition Act provides adequate mechanisms for monitoring of price competitiveness and consumer protection. Further, the stipulation in consultation with county governments in governing tea trading will create inefficiencies, restrict trade and conflict with national economic policies. It discriminates against tea businesses compared to other sectors and lacks clarity on the issue it aims to address.

Committee Observation/Recommendation

The proposal was rejected by the Committee because it is important to safeguard the price of tea in the best interest of the grower. Further, county governments are stakeholders and there is no harm in consulting them in the regulation making process.

62. Delete the phrase "*packed into packets or containers holding not more than ten kilograms*" in the proposed sub-clause (2A) as per justifications above so that the exemption is applicable to all value-added teas. This will overall, incentivize value addition ventures.

Committee Observation/Recommendation

The proposal was rejected by the Committee because it is important to specify the quantity exempted from levy.

Clause 14

63. Delete the Clause. Sufficient provisions exist in County Licensing laws and the Public Finance Management Act. As indicated above, the tea sector is strategic to the Government and has been prioritized under the Bottom-Up Economic Transformation Agenda (BETA). As such proposals that introduce administrative bottlenecks at county level for the sector go counter to the Government's commitment to support the growth of the sector.

Committee Observation/Recommendation

The proposal was rejected by the Committee. County governments can make county specific regulations since they have been given the mandate under the Act to licence Greenleaf transporters.

Clause 17

64. Reverse all immovable assets of the former Tea Board of Kenya and the former Tea Research Foundation of Kenya which were vested in the Agriculture and Food Authority and Kenya Agricultural and Livestock Research Organization upon the commencement of the Crops Act and the Kenya Agricultural and Livestock Research Organization Act shall by virtue of this paragraph vest in the Board and respectively. This will strengthen the institutional framework for industry research and development.

Committee Observation/Recommendation

The proposal was adopted by the Committee because it supports the proposed amendment in the Bill.

4.2 Council of Governors (COG)

Ms. Mary Mwititi, Chied Executive Officer, CoG, in a letter, Ref: COG/6/48 Vol. 68 dated 5th June, 2025, proposed the following amendments to the Tea (Amendment) Bill, 2023:

Proposed Amendment to Section 5

65. Amend section 5 of the principal Act in paragraph (e) by deleting the words "*commercial tea nurseries, commercial green leaf transporters,*" appearing immediately after the words "*tea auction organizers.*" To align to the provision of section 38 of the Act which mandates the county governments to register commercial tea nurseries.

Committee Observation/Recommendation

The proposal was adopted by the Committee. Registration of commercial tea nurseries is a function of county governments under section 38(1) of the Act.

Clause 15

66. Amend by deleting paragraph 15(b) in its entirety and replacing with the following new paragraph: 15(b) "*The tea levy collected under subsection (2) shall be apportioned as follows: twenty per centum shall be applied by the Board in the furtherance or exercise of any function or power of the Board; twenty per centum shall be remitted directly to the Tea Research Foundation for execution of the function of the Foundation; and sixty per centum shall be remitted directly to the tea growing counties to be applied for development of the tea subsector on a pro rata basis*". This is to align the provisions of the Act to the provisions of Part 2 sections 1 and 7 of the Fourth Schedule to the Constitution which stipulates that the County Governments shall be responsible for development and regulation of agriculture. To achieve this, counties need to be adequately resourced, we therefore propose that 60% of the Levy is directly disbursed to counties for development of the tea sector.

Committee Observation/Recommendation

The proposal was rejected, the distribution of the levy to be retained as it is in the principal Act.

Clause2

67. Introduce the following new definitions: "County Executive Committee Member" means a County Executive Member for the time being responsible for matters relating to agriculture; and "County Executive Committee" means a county executive committee as provided for under Article 179(2) of the Constitution". To provide for the definition of the County Executive Committee responsible for matters relating to agriculture given that tea sector is largely devolved to the County Governments.

Committee Observation/Recommendation

The proposal was rejected because the terms are not used in the principal Act.

Proposed Amendment to Section 5

68. Amend sections 5(1)(d), (e), (f), (g), (h) and (j) to read as follows: (d) "make recommendations to the Cabinet Secretary and County Executive Committee Members on the formulation of policies, plans and strategies for the regulation of the tea sector; (e) register tea buyers, exporters, importers, tea brokers, management agents auction organizers; (f) issue certificate of conformity to manufacturers; (g) In consultation with the County Governments, prescribe the management agents, tea auction organizers, commercial tea nurseries, commercial green leaf transporters; (h) license manufacturers; and (j) prescribe the maximum period and minimum amount for payment of green leaf". This is because agriculture development and regulation has been fully devolved to County Governments pursuant to the Fourth Schedule of the Constitution. Further, part 2 section 7 of the Schedule gives the County Governments the mandate of Trade development and regulation including-markets and trade licensing. It is therefore imperative that the County Governments are involved in the development of the tea industry for the benefit of the farmers. This therefore means that registration of tea growers, licensing of tea dealers and processors as well licensing of as managing factories and their agents is a maximum period and minimum amount for payment of green leaf.

Committee Observation/Recommendation

The proposal was rejected by the Committee, the functions of the Board under the principal Act are sufficient.

Proposed Amendment to Section 20

69. Amend section 20 (1) to read as follows: "Functions of County Governments 20(1) pursuant to the Fourth Schedule of the Constitution: (a) the Board, on behalf of the national government, shall be responsible regulation of Imports, exports, development and enforcement of standards in the tea sector;

and (b) each County Government shall implement the national policies to the extent that the policies relate to the county and in particular shall be responsible for: (i) the development of tea grown within the county; (ii) register tea growers, tea factories, commercial tea nursery operators, green leaf transporters; warehouse operators, tea packers and manufacturers; (iii) license tea manufacturers; (iv) offer and coordinate of extension services on tea production and milling in the respective county; (v) Inspect tea nurseries, processors and warehouses located within their respective counties; (vi) enforce county and national legislation on tea industry code of practice and other industry standards; (vii) in collaboration with the Board and law enforcement agencies, enforce regulations within the county; (viii) sill and conservation of water; (ix) monitor and report of Incidences of pests and disease outbreaks and taking appropriate action in collaboration with the Board and other relevant government agencies; (x) regulation of cooperative societies within the county; and (xi) soil and water conservation”.

Committee Observation/Recommendation

The proposal was rejected by the Committee. There is no proposed amendment to that section in the Bill and the current provision in the principal Act is sufficient.

Proposed Amendment to Section 21

70. Amend section 21(2) and introduce a new clause 21(3) for the this section to read as follows: 21 (1) “Every tea grower shall register with a processor; (2) Every processor shall keep or cause to be kept for statistical purposes, a register of all tea growers registered with under subsection (1) specifying: (a) the name of the grower; (b) the location, size and parcel number of the land on which the tea is grown; (c) the variety of tea grown; and (d) such Information Board Government prescribe; and (3) Every processor shall share the information on the registered tea growers with the respective county government”. To provide for a framework where the processors operating in the county share the information of the registered growers with the respective county government for purposes county statistics on tea production.

Committee Observation/Recommendation

The proposal was rejected by the Committee. There is no proposed amendment to this section in the Bill and the current provisions in the Act are sufficient.

Proposed Amendment to Section 21

71. Amend section 21 (2) and introduce a new clause 21(6) to read as follows: 21(2) “The respective County Executive Committee Member with the approval of the County Assembly, shall prescribe regulations providing for the procedure for registration of small-scale tea growers and medium scale tea growers and the appeal process in case of refusal or denial of registration; (6) The tea factory shall furnish the County Executive Committee Member with particulars of all registered small-scale tea growers or medium scale tea growers in such manner as the County Executive Committee Member may prescribe; and 6A. The County Executive Committee Member shall share with the Board the particulars of all registered small-scale tea growers or medium scale tea growers in the county”. To align to our proposal under section 20 above and provide for consultations in the regulatory making process.

Committee Observation/Recommendation

The proposal was rejected by the Committee. There is no proposed amendment to this section in the Bill and the current provision in the Act are sufficient.

Proposed Amendment to Section 23

72. Amend section 23(1) and (2) to read as follows: 23(1) *“A large scale tea grower shall register with the respective County Executive Committee Member in a prescribed form and shall pay the prescribed fee; (1)(A) The County Executive Committee Member share the particulars of the large-scale tea growers with the Board in a prescribed form; and (2) The Cabinet Secretary in consultation with the County Governments shall prescribe regulations providing for the procedure for registration of large-scale tea growers and the appeal process in case of refusal or denial of registration”*. This is to align the provisions of the Act to the provisions of Part 2 sections 1 and 7 of the Fourth Schedule to the Constitution which stipulates that the County Governments shall be responsible for development and regulation of agriculture and trade including markets, trade licenses and fair-trading practices.

Committee Observation/Recommendation

The proposal was rejected by the Committee. The registration of large-scale growers is a mandate of the Board under the principal Act. The proposed amendment in the Bill that require a notification to the Board on any intended sale or transfer of ownership is sufficient.

Proposed Amendment to Section 25

73. Amend section 25 to read as follows: 25 (1) *“A person shall not manufacture tea for sale except under and in accordance with a licence issued under this Act; (2) A person shall apply for a manufacturing licence to the respective County Executive Committee Member in a prescribed form and shall pay the prescribed fee; (3) The County Executive Committee Member may: (a) issue a manufacturing licence, in accordance with this Act; (b) refuse to issue the licence on any ground which may appear to the County Executive Committee Member to be sufficient and inform the applicant in writing of the reasons thereof; and (4) Before the issuance or renewal of a manufacturing licence for a tea factory limited company the County Executive Committee Member shall satisfy a itself that the applicant has obtained a certificate of conformity from the Board and a procurement policy providing for competitive procurement of goods and services”*. This is to align the provisions of the Act to the provisions of Part 2 sections 1 and 7 of the Fourth Schedule to the Constitution which stipulates that the County Governments shall be responsible for development and regulation of agriculture and trade including markets, trade licenses and fair-trading practices.

Committee Observation/Recommendation

The proposal was rejected by the Committee. There is no proposed amendment to this section in the Bill and the current provision in the Act is sufficient.

Proposed Amendment to Section 28

74. Amend section 28 to read as follows: 28 (1) *“Every warehouse operator shall register with the respective County Executive Committee Member; (2) A person shall not store tea unless the person is registered in accordance with this Act; (3) The Cabinet Secretary shall, in consultation with the County Governments prescribe regulations providing for the procedure for registration of warehouse operators”*. This is to align the provisions of the Act to the provisions of Part 2 sections 1 and 7 of the Fourth Schedule to the Constitution which stipulates that the County Governments shall be responsible for development and regulation of agriculture and trade including markets, trade licenses and fair-trading practices.

Committee Observation/Recommendation

The proposal was rejected by the Committee. There is no proposed amendment to this section in the Bill and the current provision in the Act is sufficient.

Proposed Amendment to Section 29

75. Amend section 29 to read as follows: 29 (1) *“Every tea packer shall register with the respective County Executive Committee Member; (2) A person shall not pack tea unless the person is registered in accordance with this Act; and (3) The Cabinet Secretary shall, in consultation with the County Governments prescribe regulations providing for the procedure for registration of tea packers and the appeal process in case of refusal or denial of registration”*. This is to align the provisions of the Act to the provisions of Part 2 sections 1 and 7 of the Fourth Schedule to the Constitution which stipulates that the County Governments shall be responsible for development and regulation of agriculture and trade including markets, trade licenses and fair-trading practices.

Committee Observation/Recommendation

The proposal was rejected by the Committee. There is no proposed amendment to this section in the Bill and the current provision in the Act is sufficient.

Proposed Amendment to Section 37

76. Amend section 37 to read as follows: 37 (1) *“A person who intends to carry on the business of commercial green leaf transporter shall register with the respective County Executive Committee Member; (2) A person shall not carry on the business of commercial green leaf transporter unless the person is registered in accordance with this Act; and (3) The Cabinet Secretary shall in consultation with the County Governments prescribe regulations providing for the procedure for registration of commercial green leaf transporters and the appeal process in case of refusal or denial of registration”*. This is to align the provisions of the Act to the provisions of Part 2 sections 1 and 7 of the Fourth Schedule to the Constitution which stipulates that the County Governments shall be responsible for development and regulation of agriculture and trade including markets, trade licenses and fair-trading practices.

Committee Observation/Recommendation

The proposal was rejected by the Committee. The amendment introduces terms that have not been used in the Bill such as Chief Executive Committee Member as a substitute for county government.

Proposed Amendment to Section 38

77. Amend section 38 to read as follows: 38 (1) *“A person who intends to establish a commercial tea nursery shall register with the County Executive Committee Member where they intent to establish a tea nursery”*. To provide clarity as to whom the application for commercial tea nursery is to be addressed to at the county level.

Committee Observation/Recommendation

The proposal was rejected by the Committee. There is no proposed amendment to this section in the Bill. Additionally, there is no justification to substitute county government as it is in the Act with the CECM because the CECM is part of the county government.

Proposed Amendment to Section 39

78. Amend section 39 to read as follows: 39 (1) *“The Board or County Executive Committee Member shall, before registering, licensing or renewing a registration, certificate of conformity or licence under this Act, satisfy itself that.”* To recognize the role of the County Executive Committee Members in issuance of licenses under the Act.

Committee Observation/Recommendation

The proposal was rejected by the Committee. There is no proposed amendment to this section in the Bill and the current provision in the Act is sufficient.

Proposed Amendment to Section 40

79. Amend section 40(1), (2), (3) and (4) to read as follows: 40 (1) *“A licence or certificate of conformity issued under this Act shall be subject to such conditions as the Board or County Executive Committee Member may determine and as are specified in the licence or certificate and to any conditions which may be prescribed; (2) The Board or County Executive Committee Member shall consider the professional and moral suitability of a person applying for a license or certificate and satisfy itself that such a person is a fit and proper person for the grant of the license or certificate; (3) In considering an application for a licence or certificate of conformity, the Board or County Executive Committee Member may require to be satisfied as to; and (4) The Board or County Executive Committee Member may at any time during the validity of a licence”*.To recognize the role of the County Executive Committee Members in issuance of licenses under the Act.

Committee Observation/Recommendation

The proposal was rejected by the Committee. There is no proposed amendment to this section in the Bill and the current provision in the Act is sufficient.

Proposed Amendment to Section 41

80. Amend section 41(1) and (2) to read as follows: 41 (1) *"An application for the renewal of a licence under this Act shall be made to respective County Executive Committee Member in a form prescribed not later than the first day of the month of June in which the current licence is due to expire; and (2) Despite subsection (1), a late application may be made upon payment of a late application fee as may be prescribed by the County Executive Committee Member"*. To recognize the role of County Executive Committee Members in issuance of licenses under the Act as per the provisions of the Fourth Schedule to the Constitution.

Committee Observation/Recommendation

The proposal was rejected by the Committee. There is no proposed amendment to this section in the Bill and the current provision in the Act is sufficient.

Proposed Amendment to Section 42

81. Amend section 42 to read as follows: 42. *"The County Executive Committee Member may revoke, alter or suspend a licence issued under this Act if in its opinion: (a) an offence under this Act, or in respect of the licensed activity under any other written law, has been committed by the licence holder or any employee of the licence holder; or (b) a condition of the licence has been contravened or not complied with"*. To recognize the role of the County Executive Committee Members in issuance of licenses under the Act as per the provisions of the Fourth Schedule to the Constitution.

Committee Observation/Recommendation

The proposal was rejected by the Committee. There is no proposed amendment to this section in the Bill and the current provision in the Act is sufficient.

Clause 4

82. Amend section 43 to read as follows: 43(1) *"The holder of a licence which is revoked shall Immediately surrender it to the County Executive Committee Member; and (2) A licence holder may at any time surrender the licence to the County Executive Committee Member and the licence shall cease to have effect immediately"*. To recognize the role of the County Executive Committee Members in issuance of licenses under the Act as per the provisions of the Fourth Schedule to the Constitution.

Committee Observation/Recommendation

The proposal was rejected by the Committee. There is no proposed amendment to this section in the Bill and the current provision in the Act is sufficient.

Clause 44

83. Amend by repealing section 44 and replacing it with new section 44 to read as follows: 44 (1) “An applicant for or holder of a certificate who is aggrieved by a decision of the Board may appeal to the Cabinet Secretary on or in respect of: (a) the grant, refusal, renewal, variation or revocation; or (b) the conditions imposed on the grant, renewal or variation, of a certificate; (2) An applicant for or holder of a licence who is aggrieved by a decision of the County Executive Committee Member may appeal to the County Executive Committee through office of County Secretary on or in respect of: (a) the grant, refusal, renewal, variation or revocation; or (b) the conditions imposed on the grant, renewal or variation, of a licence; (3) A person aggrieved by the decisions of the Cabinet Secretary or County Executive Committee under sub-section (1) and (2) may appeal to the High Court; and (4) An appeal under this section shall be lodged within thirty days from the date on which the appellant first received notice of the decision”. To allow the county governments to appoint persons qualifies as crops inspectors for purposes of assisting the county in discharging its mandates under the Act.

Committee Observation/Recommendation

The proposal was rejected by the Committee. There is no proposed amendment to this section in the Bill and the current provision in the Act is sufficient.

Clause 49

84. Amend section 49 to read as follows: 49 (1) “The Board or County Government may appoint qualified persons to be crop Inspectors for the purposes of this Act; and (2) For purposes of subsection (1), the Board in consultation with County Governments may, by regulations, prescribe the qualifications for a crop inspector”. To allow the County Governments to appoint persons qualifies as crops inspectors for purposes of assisting the county in discharging its mandates under the Act.

Committee Observation/Recommendation

The proposal was rejected by the Committee. There is no proposed amendment to this section in the Bill and the current provision in the Act is sufficient.

Clause 74

85. Amend section 74 (1) to read as follows: 74 (1) “The Cabinet Secretary may, in consultation with the Board and County Governments make Regulations”. Agriculture is fully devolved under the Constitution, it is therefore imperative that the Cabinet Secretary consults County Governments in the development of regulations as implementation has a direct impact on how the counties will undertake their functions as provided for under the Fourth Schedule to the Constitution.

Committee Observation/Recommendation

The proposal was rejected by the Committee. County governments are consulted on the regulations that affect counties and not all regulations made under the Act

4.3 The Tea Board of Kenya (TBK)

Mr. Willy Mutai, Chief Executive Officer, TBK, in a meeting with the Committee held on 25th July, 2025, proposed the following amendments to the Bill on behalf of the Tea Board of Kenya:

Clause 2

86. Amend section 2 (d), definition of the word “*value addition*” to read as follows: “*improvement on made tea through blending or flavouring or branding and packaging into a retail packet or a container holding not more than ten kilograms, or tea extracts, tea aroma and decaffeinated tea*”. To provide the correct definition of the word value addition and differentiate value added teas from bulk teas.

Committee Observation/Recommendation

The proposal was adopted by the Committee to capture the accurate definition of the term “value addition”.

87. Amend by introducing a new definition of the word “*e-trader*” after Section 2 (e) to mean “*a person providing platform for buying and selling of tea through platform an e-commerce platform*”.

Committee Observation/Recommendation

The proposal was adopted by the Committee because the Committee proposes to introduce e-trade in the Bill.

88. Amend definitions of “*small-scale tea grower*” to read as follows: “*a person cultivating tea in a parcel of land of less than ten acres supplying green leaf to a tea factory limited company*”. To align the definitions in the context it is used in the tea industry and ascribe the correct meaning to the amendment on “*tea factory limited company*”.

Committee Observation/Recommendation

The proposal was adopted by the Committee to align the definition to the context used in the tea industry.

89. Amend the definition of “*medium-scale tea grower*” to mean: “*a person cultivating tea in a parcel of land supplying green leaf to a tea factory limited company; To align the definitions in the context it is used in the tea industry and ascribe the correct meaning to the amendment on “tea factory limited company”.*”

Committee Observation/Recommendation

The proposal was adopted by the Committee to align the definition to the context used in the tea industry.

90. Introduce a new definition of "bespoke teas" to mean, "*special-order tea that is manufactured to stipulated customer specifications for a determined customer with the exception of straight-line teas and drier mouth teas*".

Committee Observation/Recommendation

The proposal was rejected by the Committee because the term has not been used in the principal Act

91. Introduce a new definition of "straight-line teas" meaning "*black cut-tear-curl teas that fall within the tea grades offered at the Mombasa Tea Auction including Pekoe Fanning One (PFI), Broken Pekoe One (BPI), Dust-I, Pekoe Dust (PD) and secondary grades*"

Committee Observation/Recommendation

The proposal was rejected by the Committee because the term has not been used in the Act.

Proposed Amendment to Section 5

92. Amend by deleting the word "commercial" before the words Greenleaf. Commercial green leaf transporters will be registered by the County Governments and not by the Board. To bring all green transporters within the regulatory ambit of the Tea Act and not just commercial green transporters.

Committee Observation/Recommendation

The proposal was rejected by the Committee because registration of commercial green leaf transporters is a function of the county government and not the Board. The Bill intends to delete it from the functions of the Board.

Proposed Amendment to Section 22

93. Amend section 22 by deleting sub-section (1) and renumbering subsections (2), (3), and (4) accordingly. Delete Section one as the size of the Board of tea factory companies is provided for under the Articles of Association.

Committee Observation/Recommendation

The proposal was adopted by the Committee to allow the constitution of company boards to be governed by their Memorandum and Articles of Association and the Companies Act.

Proposed Amendment to Section 25

94. Amend by deleting section 25 (3) since section 31 of the principal Act is amended by deleting "*after consultation with the Cabinet Secretary*". This is because Issuance of licenses and registrations is not a policy issue but is one of the routine functions of the Board as a semi-autonomous State Corporation. The requirement to consult the Cabinet Secretary during issuance of licenses be deleted. Appeals on issuance or non-issuance to be made to the Cabinet Secretary.

Committee Observation/Recommendation

There is no proposed amendment to this section in the Bill, however, the Committee adopted the proposal because issuance of licence by the Board does not require the consultation of the Cabinet Secretary.

Proposed Amendment to Section 25

95. Amend section 25 by adding a new sub-section 25(6) to read as follows: "*a holder of a tea manufacturing license shall notify the Board of any intended sale or transfer of ownership of its holdings 6 months before the transaction is affected*". The Cabinet Secretary shall make regulations to provide for transfer of holdings of a tea manufacturer. This will assist to manage significant changes in ownership of a tea factory that may have material effects or impact on the tea value chain.

Committee Observation/Recommendation

The proposal was adopted with amendments by the Committee to allow only a notification of change of ownership to the Board without having a specific timeline since transfer of property is governed by other laws.

Proposed Amendment to Section 31

96. Amend Section 31(1)(a) to be under a different margin note, not imports. Teas destined for Special Economic Zone or Export Processing Zone are not necessarily imports.

Committee Observation/Recommendation

The proposal was rejected by the Committee because section 31 is on imports.

Proposed Amendment to Section 32

97. Amend Section 32 of the principal Act by adding a new subsection 3(c) as follows; “*The remuneration paid to a tea broker by a tea factory limited company and a tea buyer or exporter for services rendered*”. The rates payable for services rendered by tea broker by a tea factory or a tea buyer/exporter to be prescribed through regulations.

Committee Observation/Recommendation

The proposal was rejected by the Committee. The money paid to brokers must be capped to cushion farmers from exploitation.

Proposed Amendment to Section 32

98. Amend Section 32(4) by deleting the words “*limited company*” appearing immediately after the words “*a tea factory*”. To provide clarity on the application of the provisions of Section 32 (4) as being applicable to all tea factories.

Committee Observation/Recommendation

The proposal was rejected by the Committee. The money paid to the brokers must be capped to cushion the farmers from exploitation.

Proposed Amendment to New Section 34A

99. Amend by inserting the following new subsection: 34A(1)(c) “*E-commerce; and 34A (2) The Cabinet Secretary may prescribe regulations providing for the sale of teas through the auction, direct sales and e-commerce.*”

Committee Observation/Recommendation

The proposal was adopted by the Committee to incorporate e-commerce in the trade of tea.

Proposed Amendment to New Section 34B

100. Introduce the following new section 34 (B) to operationalize section 34 (A) (I) (c): 34 B (1) “*A person who intends to establish an e-commerce platform for sale of tea shall register with the Board; (2) A person shall not establish an e-commerce platform for tea unless the person is registered in accordance with this Act; (3) The Cabinet Secretary shall prescribe regulations providing for the procedure for registration of e-traders and the appeal process in case of refusal or denial of registration; and (4) A person who contravenes subsection (2) commits an offence and shall, on conviction, be liable to imprisonment for a term not exceeding three years or to a fine not exceeding five million shillings or to both*”. This to provide regulatory the framework for sale of teas through an e-commerce platform.

Committee Observation/Recommendation

The proposal was adopted by the Committee to operationalize the provision on e-commerce in the trade of tea.

Proposed Amendment to Section 36

101. Delete Section 36 (c) (5). The proposed amendment will be difficult to implement as proceeds for tea sales for the entire month are aggregated in the tea factories account and then paid to the tea grower by the 5th of the following month.

Committee Observation/Recommendation

The proposal was adopted by the Committee, the current system of paying growers works well and the proposed mode might be impractical to implement.

Proposed Amendment to Section 36

102. Do not delete Section 36 (d) (6) because by deleting this section you will remove the safeguards in the Act meant to ensure tea growers are paid on time from the proceeds of sale.

Committee Observation/Recommendation

The proposal was rejected by the Committee because the growers need to be paid at the earliest time possible.

103. Introduce the following new Section 38B to deal with the registration of a scheme owner and certification agent: 38B. (1) "A person shall not operate a voluntary certification scheme for tea in Kenya without being registered by the Board; (2) A certification voluntary scheme owner or certification agent operating in the tea industry in Kenya shall register with the Board and pay the prescribed fee; (3) The Cabinet Secretary shall prescribe regulations providing procedure registration for the for registration of voluntary certification scheme owners certification agents; and (4) A person who operates a voluntary certification scheme for tea in Kenya without being registered by the Board commits an offence". To control the multiplicity of various certifications in the tea sub-sector which are increasing cost of production thus reducing the profitability of tea producers' earnings and growers'

Committee Observation/Recommendation

The proposal was rejected by the Committee. There is no proposed amendment to this section and the provision in the Act is sufficient.

104. Amend by introducing the following new section 40 (B) immediately after section 40 to disclose the beneficial ownership of a holder of a licence or registration certificate: 40B (1) "An applicant for a license or a certificate registration shall disclose information on beneficial ownership of the company or any entity contained in the application; (2) A holder of a license or a certificate of registration shall within 14 days

following any amendment beneficial of ownership information, furnish the Board with a copy of the amended beneficial owners' register; and (3) A person who fails to comply with Section 40B commits offence". To comply with Section 93A of the Companies Act, 2015 which requires every company registered in Kenya to prepare and keep a register of its beneficial owners.

Committee Observation/Recommendation

The proposal was rejected by the Committee because the requirement for beneficial owner is already provided for under the companies Act and the information can be obtained administratively.

Proposed Amendment to Section 48

105. Amend section 48 by deleting the word "eight" after the word "within" and substituting it with "ten". To enable the tea sector value chain players put in place the necessary infrastructure to do value addition.

Committee Observation/Recommendation

The proposal was adopted with amendments by the Committee to provide that the period for value addition shall be ten years pegged to the date of commencement of business and not the commencement date of the Act.

Proposed Amendment to Section 53

106. Amend section 53 (2A) as follows: "*Specialty tea Value added tea packed into packets containers containing not more than ten kilograms, tea aroma, tea extracts and decaffeinated teas shall be exempted from tea levy*". To provide incentives for value addition of Kenya tea prior to export, brand and origin recognition of Kenya tea and include tea aroma, extracts tea and decaffeinated teas which are high value in the teas to be exempted from tea levy

Committee Observation/Recommendation

The proposal was adopted to capture all the value-added tea and to provide incentives for value addition of Kenyan tea.

Proposed Amendment to Section 54

107. Amend section 54 by deleting subsections 2 (b) and 3 (a). To align to the deleted provisions under Section 53 (5).

Committee Observation/Recommendation

The proposal to delete the Tea Levy from the Act was rejected by the Committee.

Proposed Amendment to Section 74

108. Amend by introducing the following section 74(B) immediately after section 74: 74B (1) *"The Cabinet Secretary may, in consultation with the Board, make guidelines to provide for: (a) Corporate Governance Guidelines for the tea industry; and (b) Code of Ethics and Conduct for tea Director(s)".* To address the governance challenges in the tea sub-sector and; to foster ethics and integrity among directors in the tea factories.

Committee Observation/Recommendation

The proposal was adopted by the Committee to ensure uniform practice by directors in the governance of the tea sector.

Third Schedule: Tea Blocks

109. Amend the Third Schedule as follows: (1) Deleting "Narok" from the East Block and inserting it under the West Block; and (2) Adding "West Pokot" under the West Block. To correct misclassification of Narok under the tea blocks and to incorporate all tea growing under the West Block respectively.

Committee Observation/Recommendation

The proposal was adopted by the Committee to correct mis-classification of Narok under the tea blocks and to incorporate all tea growing under the West Block.

4.4 Kenya Agricultural and Livestock Research Organization (Tea Research Institute)

Ms. Lilian Kerfo, the Institute Director, Kenya Agriculture and Livestock Research Organization, in a meeting with the Committee held on 10th June, 2025, proposed the following amendments to the Bill:

Subtitle

110. Amend the overall purpose of the Act in the subtitle to read: *"An ACT of Parliament to amend the Tea Act to provide for direct sales of tea, the payment of tea proceeds, governance of Tea Research Foundation, and for connected purposes"* TRF is yet to be reformed due to structural inadequacy in the principal Act.

Committee Observation/Recommendation

The proposal was rejected by the Committee. The Bill does not contain proposed amendments to the Tea Research Foundation.

Proposed Amendment to Clause 55

111. Amend Clause 55 by inserting the following sub-clauses (3) and (4): (3) *“The headquarters of the Foundation shall be in Kericho County; and (4) The Foundation may establish such centres in Kenya as it may consider necessary for the efficient performance of its functions”*. This key item is missing in the principal act.

Committee Observation/Recommendation

The proposal was rejected by the Committee because there is no amendment to this provision in the Bill and the provision in the Act is sufficient.

Proposed Amendment to Clause 56

112. Amend Clause 56 by inserting the following sub-clauses: *“(1) The Foundation shall consist of the following organs: a) the Board of Tea Research Foundation under section 58; b) the staff under Section 69; c) the research centres specified in the first Schedule to the amended Act; and d) Associate centres, provided for under subsection (2); (2) Any organization/institution which undertakes tea research or similar research, may apply to the Board to join the Foundation, and if the Board grants the application, the organization shall be an associate institute of the Foundation”*. To facilitate formation, creation of governance structure and operationalisation of the Tea Research Foundation.

Committee Observation/Recommendation

The proposal was rejected by the Committee because there is no amendment to this provision in the Bill and the provision in the principal Act is sufficient.

Proposed Amendment to Section 57

113. Amend Section 56 in principal Act without altering its contents by substituting it with Clause 57.

Committee Observation/Recommendation

The proposal was rejected by the Committee because there is no amendment to this provision in the Bill and the provision in the Act is sufficient.

Part VII

114. Introduce a new clause 58 as follows: 58 (1) *“The management of the Foundation shall vest in a Board which shall consist of: (a) a chairperson appointed by the President by notice in the Gazette; (b) the Principal Secretary responsible for Agriculture or a representative nominated by the Principal Secretary in writing; (c) the Secretary to the Science Commission appointed under paragraph 6 of the Second Schedule of Science and Technology Act or a representative nominated by the Secretary in writing; (d) the Principal Secretary responsible for National Treasury or a representative nominated by the Principal*

Secretary in writing; (e) one person of either gender each who shall have knowledge and experience in the tea sector and be from the smallholder subsector in the East and West tea blocks as in Second Schedule nominated by the Cabinet Secretary; (f) One person representing Council of Governors nominated by the Cabinet Secretary; (g) one person elected and representing large scale tea growers nominated by the Cabinet Secretary; (h) Chief Executive officer appointed in accordance with section 64 who shall be an ex-officio member of the Board; (2) The Cabinet Secretary shall appoint the members under subsection (1) (d), (e), (f) and (g) by notice in the Gazette; and (3) A person shall not be appointed to be a chairperson of the Board of Foundation unless that person holds at least a degree or its equivalent in any discipline from an institution recognized in Kenya and has relevant experience in the tea sector". To facilitate formation, creation of governance structure and operationalisation of the Tea Research Foundation.

Committee Observation/Recommendation

The proposal was rejected by the Committee because there is no amendment to this provision in the Bill and the provision in the Act is sufficient.

Clause 58 (4)

115. Amend to introduce a new sub-clause (4): *"The Chairperson and members appointed under section 6 (1)(e), (f) and (g) shall serve for a term of three years renewable for one further term"*. To facilitate formation, creation of governance structure and operationalisation of the Tea Research Foundation.

Committee Observation/Recommendation

The proposal was rejected by the Committee because there is no amendment to this provision in the Bill and the provisions in the Act is sufficient.

Clause 58 (5)

116. Amend to introduce a new Sub-clause (5): (5) *"A person shall cease to be a member of the Board if such person: (a) is unable to perform the functions of his office by reason of mental or physical infirmity; (b) is adjudged bankrupt; (c) is convicted of a criminal offence and sentenced to a term of imprisonment of not less than six months; (d) is absent from three consecutive meetings of the Board without the permission of the Board; (e) resigns in writing, addressed, in the case of the Chairman to the President, and in the case of any other member, to the Cabinet Secretary; (f) fails to declare his interest in any matter being considered or to be considered by the Board; or (g) violates Chapter Six of the Constitution"*. To facilitate formation, creation of governance structure and operationalisation of the Tea Research Foundation.

Committee Observation/Recommendation

The proposal was rejected by the Committee because there is no amendment to this provision in the Bill and the provisions in the Act is sufficient.

Proposed Amendment to Section 59

117. Amend by introducing the following new clause 59: 59. *“The functions of the Board of the Foundation shall be to: (a) carry out the objects and functions of the Foundation; (b) advise the Cabinet Secretary on matters of policy relating to tea research; (c) oversee the effective co-ordination of the operations of the Foundation; (d) ensure that the activities of the Foundation are consistent with the policy and objectives Of the Government, and the national priorities relating to agriculture and agricultural research; (e) approve, oversee and evaluate on a continuing basis the programs being implemented by the Foundation; (f) direct strategic research and policy and prioritise and determine the research agenda; (g) co-operation with other lead agencies and Foundations in carrying out tea research; (h) development of an economic, efficient and cost-effective internal management structure, strategic and annual plan of the Foundation; (i) implementation and fulfilment of the polices and agreed objectives, performance targets and service standards of the Foundation; (j) provision of advice as required on all matters within the responsibility of the Foundation; and k) perform such other functions as may be necessary for the exercise of its powers and functions under this Act”.* To facilitate formation, creation of governance structure and operationalisation of the Tea Research Foundation.

Committee Observation/Recommendation

The proposal was rejected by the Committee because there is no amendment to this provision in the Bill and the provisions in the Act is sufficient.

Proposed Amendment to Section 60: Powers of the Board

118. Amend by introducing the following new Clause 60: 60. *“The Board shall have all the powers necessary for the proper performance of its functions under this Act and subject to the provisions of this Act, the Board shall have the power to: (a) enter into contracts; (b) manage, control and administer the assets of the Foundation in such manner and for such purposes as best promotes the purpose for which the Foundation is established; (c) receive gifts, grants, donations or endowments made to the Foundation and make disbursement therefrom; (d) open such bank accounts as may be necessary for the funds of the Foundation into which all moneys received by the Foundation shall be paid in the first instance and out of which all payments made by the Foundation shall be made; (e) determine the provisions to be made for capital and recurrent expenditure and for the reserves of the Foundation; and (f) subject to the approval of the Cabinet Secretary for the time being responsible for matters relating to finance, invest any of the Foundation's funds not immediately required for the purposes of this Act, as it may determine”.* To facilitate formation, creation of governance structure and operationalisation of the Tea Research Foundation.

Committee Observation/Recommendation

The proposal was rejected by the Committee because there is no amendment to this provision in the Bill and the provisions in the Act is sufficient.

Proposed Amendment to Section 61: Committees of the Board

119. Amend by introducing the following new Clause 61: 61 (1) *“The Board may, from time to time, establish such committees as it considers necessary for the better carrying out of its functions under this Act; and (2) The Board may co-opt into the membership of a committee established under subsection (1), such other persons whose knowledge and skills are found necessary for the functions of the Foundation”*. To facilitate formation, creation of governance structure and operationalisation of the Tea Research Foundation.

Committee Observation/Recommendation

The proposal was rejected by the Committee because there is no amendment to this provision in the Bill and the provisions in the Act is sufficient.

Proposed Amendment to Section 62: Delegation of Powers by the Board

120. Amend by introducing the following new clause 62: 62. *“The Board may by resolution either generally or in any particular case, delegate to any committee of the Board or to any member, officer, employee or agent of the Board, the exercise of any, of the powers or the performance of any of the functions or duties of the Board under this Act or under any other written law”*. To facilitate formation, creation of governance structure and operationalisation of the Tea Research Foundation.

Committee Observation/Recommendation

The proposal was rejected by the Committee because there is no amendment to this provision in the Bill and the provisions in the Act is sufficient.

Proposed Amendment to Section 63: Conduct of Business Affairs of the Board

121. Amend by introducing the following new clause 63: 63. *“The Board shall conduct its affairs in accordance with the provisions of the third Schedule, but subject thereto, the Board may regulate its own procedure”*. To facilitate formation, creation of governance structure and operationalisation of the Tea Research Foundation.

Committee Observation/Recommendation

The proposal was rejected by the Committee because there is no amendment to this provision in the Bill and the provisions in the Act is sufficient.

Proposed Amendment to Section 64: Appointment of CEO

122. Amend by introducing the following new clause 64: 64 (1) *“There shall be a Chief Executive Officer of the Foundation who shall be competitively recruited by the Board and appointed by the Cabinet Secretary; (2) The Chief Executive Officer shall be appointed on 'such terms and conditions of service as the Board shall determine, with approval of the Cabinet Secretary, for a term of five years renewable for*

one further term; (3) The Chief Executive Officer shall be an ex-officio member of the Board and shall have no right to vote at any meeting of the Board; and (4) The Chief Executive Officer shall be responsible to the Board for all the activities of the Foundation". To facilitate formation, creation of governance structure and operationalisation of the Tea Research Foundation.

Committee Observation/Recommendation

The proposal was rejected by the Committee because there is no amendment to this provision in the Bill and the provisions in the Act is sufficient.

Proposed Amendment to Section 65: Qualifications of Chief Executive Officers

123. Amend by introducing the following new clause 65: 65. "A person shall qualify for appointment as Chief Executive Officer if that person: (a) holds a doctor of philosophy degree in agricultural related fields from a recognized university; (b) is a citizen of Kenya; (c) has experience in: (i) agricultural science; (ii) policy formulation; (iii) policy-oriented research and analysis; (iv) management of human resource and finance; (v) meets the requirements of chapter six of the Constitution; and (vi.) has at least ten years' experience in leadership". To facilitate formation, creation of governance structure and operationalisation of the Tea Research Foundation.

Committee Observation/Recommendation

The proposal was rejected by the Committee because there is no amendment to this provision in the Bill and the provisions in the Act is sufficient.

Proposed Amendment to Section 66: Qualification of a Deputy Director

124. Amend by introducing the following new clause 66: 66. "There shall be a Deputy Director of the Foundation. The Deputy Director shall be appointed by the Board to deputize the CEO on 'such terms and conditions of service as the Board shall determine. A person shall be qualified for appointment as the Deputy Director, if the person: (a) is a citizen of Kenya; (b) holds a doctor of philosophy degree from a university recognised in Kenya; (c) has at least ten years' experience in leadership or at senior management level in research; and (d) meets the requirements of chapter six". To facilitate formation, creation of governance structure and operationalisation of the Tea Research Foundation.

Committee Observation/Recommendation

The proposal was rejected by the Committee because there is no amendment to this provision in the Bill and the provisions in the Act is sufficient.

Proposed Amendment to Section 67: Functions of the Chief Executive Officer

125. Amend by introducing the following new clause 67: 67 (1) "The Chief Executive Officer of the Foundation and shall be under the general supervision and control of the Board; (2) Subject to sub-section (1), the Chief Executive Officer shall be responsible for the: (a) day-to-day operation of the Foundation;

(b) administration of the Foundation and control of the staff of the Foundation; (c) of funds, property and affairs of the Foundation; (d) management of funds, property and affairs of the foundation; (e) implementation of the policies and programs of the Foundation and reporting thereon to the Board; (f) development of an operations plan for achieving the Foundation objects; and (g) performance of any other duty necessary for the implementation of this Act as may be assigned to him by the Board; and (3) The Chief Executive Officer shall submit to the Board for approval, not later than three months before the commencement of each financial year, a programme of activities of the Foundation in respect of that financial year". To facilitate formation, creation of governance structure and operationalisation of the Tea Research Foundation.

Committee Observation/Recommendation

The proposal was rejected by the Committee because there is no amendment to this provision in the Bill and the provisions in the Act is sufficient.

Clause 68: Removal of Chief Executive Officer

126. Amend by introducing the following new clause 68: 68. "The Board may remove the Chief Executive Officer from office in accordance with his terms and conditions of service for: (a) inability to perform the functions of the office arising out of physical or mental incapacity; and (b) gross misconduct or misbehaviour; c) incompetence or neglect of duty; or any other ground that would justify removal from office under the terms and conditions of service". To facilitate formation, creation of governance structure and operationalisation of the Tea Research Foundation.

Committee Observation/Recommendation

The proposal was rejected by the Committee because there is no amendment to this provision in the Bill and the provisions in the Act is sufficient.

Clause 69: Staff of the Foundation

127. Amend by introducing the following new clause 69: 69 (1) "The staff of the Tea Research Institute employed by the Kenya Agricultural and Livestock Research Organization prior to the commencement of this Act, shall be the staff of the Foundation; (2) The Board may appoint such officers, agents and staff as are necessary for the proper and efficient discharge of the functions of the Foundation under this Act upon such terms and conditions of service as the Board may determine; and (3) The Board may, on the advice of the Chief Executive Officer engage, on behalf of the Foundation, the services of such experts in respect of any of the functions of the Foundation in connection with which they are considered to have special competence". To facilitate formation, creation of governance structure and operationalisation of the Tea Research Foundation.

Committee Observation/Recommendation

The proposal was rejected by the Committee because there is no amendment to this provision in the Bill and the provisions in the Act is sufficient.

Clause 70: Remuneration of the Staff of the Foundation

128. Amend by introducing the following new clause 70: 70. *“The officers, agents and staff of the Foundation shall be paid such remuneration and allowances as the Cabinet Secretary shall, in consultation with the Salaries and Remuneration Commission determine”*. To facilitate formation, creation of governance structure and operationalisation of the Tea Research Foundation.

Committee Observation/Recommendation

The proposal was rejected by the Committee because there is no amendment to this provision in the Bill and the provisions in the Act is sufficient.

Clause 71: Common Seal of the Foundation

129. Amend by introducing the following new clause 71: 71 (1) *“The common seal of the Foundation shall be kept in the custody of the Chief Executive Officer or such other person as the Board may direct, and shall not be used except upon the order of the Board; (2) The common seal of the Foundation shall, when affixed to a document and authenticated, be judicially and officially noticed and unless the contrary is proved any order or authorization by the Foundation under this section shall be presumed to have been duly given; and (3) The affixing of the common seal of the Foundation shall be authenticated by the signatures of the chairperson and the Chief Executive Officer: Provided that the Board shall, in the absence of the chairperson or the Chief Executive Officer, in any particular matter, nominate one member of the Board to authenticate the common seal of the Foundation on behalf of either the chairperson of the Board or the Director”*. To facilitate formation, creation of governance structure and operationalisation of the Tea Research Foundation.

Committee Observation/Recommendation

The proposal was rejected by the Committee because there is no amendment to this provision in the Bill and the provisions in the Act is sufficient.

Clause 72: Common Seal of the Foundation

130. Amend by introducing the following new clause 72: 72 (1) *“No matter or thing done by a member of the Board or any officer, employee, or agent of the Foundation shall, if the matter or thing is done in good faith for executing the functions, powers or duties of the Foundation render the member, officer, employee or agent personally liable to any actions claim or demand whatsoever; and (2) Any expenses incurred by any person in any suit or prosecution brought against him in any court, in respect of any act which is done or purported to be done by him under the direction of the Foundation, shall, if the court holds that such act was done in good faith, be paid out of the general funds of the Foundation, unless such expenses are recovered by him in such suit or prosecution”*. To facilitate formation, creation of governance structure and operationalisation of the Tea Research Foundation.

Committee Observation/Recommendation

The proposal was rejected by the Committee because there is no amendment to this provision in the Bill and the provisions in the Act is sufficient.

Part VIII: Establishment of Research Advisory Committee

Clause 74

131. Amend by introducing the following new clause 74: 74 (1) *“There is established a committee to be known as the Research Advisory Committee; (2) The Committee shall consist of: (a) Chairperson; and (b) such persons with such knowledge and expertise as the Board may consider necessary for the performance of its functions under this Act; and (3) The Chairperson and members of the Committee shall be appointed by the Board, from amongst persons who are not necessarily members of the Board, on such terms and conditions as the Board may determine with approval of the Board”*. To facilitate formation, creation of governance structure and operationalisation of the Tea Research Foundation.

Committee Observation/Recommendation

The proposal was rejected by the Committee because there is no amendment to this provision in the Bill and the provisions in the Act is sufficient.

Clause 75: Functions of the Research Advisory Committee

132. Amend by introducing the following new Clause 75: 75 (1) *“The Committee shall: (a) make recommendations to the Board on Strategic and policy issues related to tea research and research program infrastructure; (b) oversee the implementation of policies and programs of the research and recommendations of the program review committee; (c) advice the Board on the status of programs and projects undertaken by Foundation and make recommendations on the improvements that may be undertaken; (d) make recommendations to the Board on mechanisms for partnering and integrating basic and translational research programs and for the adoption of research findings within the tea sector; (e) evaluate and make recommendations to the Board on of strategic investment areas and collaborations with other research organizations or individuals undertaking tea research; (f) Provide advice and capacity building to research centres and individuals undertaking tea research and programmes pursuant to this Act; (g) review bi-annually the operations of the Foundation and budgets of tea research in relation to the programs and initiatives undertaken by the Foundation; (h) provide a forum for feedback and through which individuals undertaking tea research in the relevant area of research, can submit their proposals and recommendations to the Foundation; and (i) perform such other functions as shall be assigned to it by the Board”*. To facilitate formation, creation of governance structure and operationalisation of the Tea Research Foundation.

Committee Observation/Recommendation

The proposal was rejected by the Committee because there is no amendment to this provision in the Bill and the provisions in the Act is sufficient.

Clause 76: Conduct of Business Affairs of the Committee

133. Amend by introducing the following new clause 76: 76 (1) *“The provisions of the first Schedule shall apply mutatis mutandis with respect to the conduct of the business and affairs of the committee but subject thereto the Committee, may regulate its own procedure”*. To facilitate formation, creation of governance structure and operationalisation of Tea the Research Foundation.

Committee Observation/Recommendation

The proposal was rejected by the Committee because there is no amendment to this provision in the Bill and the provisions in the Act is sufficient.

Part IX: Operations of the Foundation

Clause 77

134. Amend by introducing the following new clause 77: 77 (1) *“The Board shall, for the effective co-ordination of tea research and development activities in Kenya by the Foundation and individuals conducting tea research, establish operational units within the Foundation in the following sectors: (a) Crop improvement and management; (b) Sustainable ecosystem management and conservation; (c) Tea processing and value addition; (d) Policy and institutional development; (e) Partnership and business development; (f) Planning, resource mobilization and quality control; (g) Knowledge management and information communication; and (h) Administration and finances; (2) Each operational unit shall consist of such members of the staff and such other persons as the Board shall determine; (3) Each operational unit shall perform such functions as the Chief Executive Officer shall determine; and (4) The Board may create such other operational units or reconstitute, merge or dissolve an operational unit as it shall consider necessary”*. To facilitate formation, creation of governance structure and operationalisation of the Tea Research Foundation.

Committee Observation/Recommendation

The proposal was rejected by the Committee because there is no amendment to this provision in the Bill and the provisions in the Act is sufficient.

Clause 78

135. Amend by introducing the following new Clause 78: 78 *“(1) The Chief Executive Officer shall competitively recruit and appoint a Centre Director for each tea research center on such terms and conditions as the Board shall determine; and (2) The Centre Director shall, subject to the directions of the Chief Executive Officer, be responsible for the day-to-day management of a research Centre”*. To facilitate formation, creation of governance structure and operationalisation of the Tea Research Foundation.

Committee Observation/Recommendation

The proposal was rejected by the Committee because there is no amendment to this provision in the Bill and the provisions in the Act is sufficient.

X: Financial Provisions

Clause 79: Funds of the Foundation

136. Amend by introducing the following new clauses 79: 79. (1) *“The funds and assets of the Foundation shall comprise of: (a) such moneys or assets as may accrue to or vest in the Foundation in the course of the exercise of its power or the performance of its functions under this Act, including proceeds from Patents and Plant Breeders' Rights; (b) the National Research Fund; (c) such moneys as may be payable to the Foundation pursuant to this Act or any other written law; (d) monies from the tea levy (As per sections 53(5)(c) and 54(3)(b) of Tea Act, 2020); (e) such gifts as may be donated to the Foundation; (f) such moneys as may be appropriated by Parliament for the purposes of the Foundation; and (g) moneys from any other source granted, donated, or lent to the Foundation; and (2) The Public Finance Management Act, 2015 (2022), shall be applicable in the management of financial resources in the sectors at all levels”.* To facilitate formation, creation of governance structure and operationalisation of the Tea Research Foundation.

Committee Observation/Recommendation

The proposal was rejected by the Committee because there is no amendment to this provision in the Bill and the provisions in the Act is sufficient.

Clause 80: Powers to Raise or Borrow Money

137. Insert the following new clause 80: 80. *“The Board may upon consultation with the Cabinet Secretary and from time to time, raise or borrow, either by way of mortgage, charge or overdraft from a bank or in such other ways as may be appropriate, such sums of money as it may consider necessary for or in connection with the exercise of its powers or performance of its functions and duties under this Act”.* To facilitate formation, creation of governance structure and operationalisation of the Tea Research Foundation.

Committee Observation/Recommendation

The proposal was rejected by the Committee because there is no amendment to this provision in the Bill and the provisions in the Act is sufficient.

Clause 81: Powers to Invest

138. Insert the following new clause 81: 81. *“The Foundation may, from time to time and, subject to the provisions of this Act, invest any sums standing to the credit of the Foundation, whether in any fund established by it, in securities or in any form of property in which the Trustees are authorized to invest*

under the Trustee Act, and in such other securities or property as may be approved for the purpose by the Cabinet Secretary for the time being responsible for finance". To facilitate formation, creation of governance structure and operationalisation of the Tea Research Foundation.

Committee Observation/Recommendation

The proposal was rejected by the Committee because there is no amendment to this provision in the Bill and the provisions in the Act is sufficient.

Clause 82: Accounts and Audit

139. Insert the following new clause 82: 82 (1) *"The Foundation through Board shall cause to be kept such books of accounts and other books in relation thereto of all its undertakings, funds, activities and property as the Cabinet Secretary may from time to time approve and shall, within a period of three months after the end of the financial year, or within such a longer period as the Cabinet Secretary may approve, cause to be prepared, signed and forwarded to the Auditor-General: (a) a statement of income and expenditure of the Foundation during that year; and (b) a statement of the financial position of the Foundation on the last day of that year; and (2) The accounts of the Foundation shall be examined, audited and reported upon annually in accordance with the provisions of the Public Audit Act, 2015". To facilitate formation, creation of governance structure and operationalisation of the Tea Research Foundation.*

Committee Observation/Recommendation

The proposal was rejected by the Committee because there is no amendment to this provision in the Bill and the provisions in the Act is sufficient.

Clause 83: Annual Reports and Publications

140. Insert the following new clause 83: 83 (1) *"The Foundation shall, within a period of three months after the end of the financial year or within such longer period as the Cabinet Secretary may approve, submit to the Cabinet Secretary a report of the operations of the Foundation during such year, and the yearly financial position and such other statements of account as the Cabinet Secretary shall require, together with the Auditor-General's report thereon; (2) The Foundation shall, if the Cabinet Secretary so requires, publish the reports, financial position and statements of income and expenditure submitted to him under subsection (1) in such manner as the Cabinet Secretary may specify; and (3) The Cabinet Secretary shall cause to be tabled before Parliament the reports, financial position and statements of income and expenditure submitted to him under sub-section (1), and such statements of accounts as he may approve, within a period of fourteen days of the receipt of the reports and statements by him, or, if Parliament is not sitting, within fourteen days of the commencement of its next sitting". To facilitate formation, creation of governance structure and operationalisation of the Tea Research Foundation.*

Committee Observation/Recommendation

The proposal was rejected by the Committee because there is no amendment to this provision in the Bill and the provisions in the Act is sufficient.

Clause 84: Financial Year of the Foundation

141. Insert the following new clause 84: 84. *“The financial year of the Foundation shall be the period of twelve months ending on the thirtieth of June in each year”*. To facilitate formation, creation of governance structure and operationalization of Tea Research Foundation.

Committee Observation/Recommendation

The proposal was rejected by the Committee because there is no amendment to this provision in the Bill and the provisions in the Act is sufficient.

Part XI – Miscellaneous Provisions

142. Insert the following new clause 85: 85 (1) *“The Chief Executive Officer may, in writing, request any person to furnish the Foundation with such information or to produce such documents or records as he deems necessary and relevant for the performance of the functions of the Foundation; (2) A person who: (a) refuses or fails, without reasonable cause, to comply with a request under subsection (1) to furnish any information or to produce any documents or records; or (b) in furnishing such information, makes a statement, which he knows to be false, commits an offence and shall be liable, on conviction, to a fine not exceeding five hundred thousand shillings, or to imprisonment for a term not exceeding two years, or to both”*. To facilitate formation, creation of governance structure and operationalisation of the Tea Research Foundation.

Committee Observation/Recommendation

The proposal was rejected by the Committee because there is no amendment to this provision in the Bill and the provisions in the Act is sufficient.

a) Board to Keep Information Confidential

Insert the following new clause 86: 86. *“The Board shall keep information acquired for purposes of the Foundation confidential and shall disclose such information only to the extent it considers necessary for the proper performance of the functions of the Foundation”*. To facilitate formation, creation of governance structure and operationalisation of the Tea Research Foundation.

Committee Observation/Recommendation

The proposal was rejected by the Committee because there is no amendment to this provision in the Bill and the provisions in the Act is sufficient.

b) Limitations of Right to Access Information

Insert the following new clause 87: 87 (1) *“The right of access to information guaranteed under Article 35 of the Constitution is hereby limited under Article 24 of the Constitution to the nature and extent*

specified under subsection; and (2) The Foundation, being a public entity, shall be under no obligation as contemplated under Article 35 of the Constitution to give any information that would, in the opinion of the Foundation, compromise the integrity of research, patent and other related rights". To facilitate formation, creation of governance structure and operationalisation of the Tea Research Foundation.

Committee Observation/Recommendation

The proposal was rejected by the Committee because there is no amendment to this provision in the Bill and the provisions in the Act is sufficient.

c) Offences for Improper Disclosure of Information

Insert the following new clause 88: 88 (1) "No officer, member of staff, or agent of the Foundation shall disclose information acquired under this Act except: (a) in the course of his duties under this Act; or (b) with the written consent of the Board; (2) No person who receives information in contravention of subsection (1) shall disclose or publish the information; and (3) A person who contravenes subsection (1) or (2) commits an offence and shall be liable on conviction to a fine not exceeding five hundred thousand shillings or to imprisonment for a term not exceeding two years or to both such fine and imprisonment". To facilitate formation, creation of governance structure and operationalisation of the Tea Research Foundation.

Committee Observation/Recommendation

The proposal was rejected by the Committee because there is no amendment to this provision in the Bill and the provisions in the Act is sufficient.

d) Exemption

Insert the following new clause 89: "Subject to other applicable laws, the Foundation shall be exempted from such taxes, duties, fees, levy, cess or other charges as the Cabinet Secretary for the time being responsible for finance may by, notice in the Gazette, specify". To facilitate formation, creation of governance structure and operationalisation of the Tea Research Foundation.

Committee Observation/Recommendation

The proposal was rejected by the Committee because there is no amendment to this provision in the Bill and the provisions in the Act is sufficient.

e) Regulations

Insert the following new clause 90: 90. "The Cabinet Secretary may, on the recommendation of the Foundation, make regulations generally for the better carrying into effect the provisions of this Act". To facilitate formation, creation of governance structure and operationalisation of the Tea Research Foundation.

Committee Observation/Recommendation

The proposal was rejected by the Committee because there is no amendment to this provision in the Bill and the provisions in the Act is sufficient.

143. First Schedule: Conduct of Business and Affairs of the Board of the Foundation

a) Tenure of Office

“Any member of the Board of Directors, other than an ex-officio member shall, subject to the provisions of this Schedule, hold office for a period of three years, on such terms and conditions as may be specified in the instrument of appointment, but shall be eligible for re-appointment, subject to a maximum of two terms of office”.

Committee Observation/Recommendation

The proposal was rejected by the Committee because there is no amendment to this provision in the Bill and the provisions in the Act is sufficient.

b) Meetings

“The Board shall meet not less than four times in every financial year and not more than four months shall elapse between the date of one meeting and the date of the next meeting. (1) Notwithstanding the provisions of subparagraph (1), the Chairman may, and upon requisition in writing by at least six members shall, convene a special meeting of the Board at any time for the transaction of the business of the Board; (2) Unless three quarters of the total members of the Board otherwise agree, at least fourteen days' written notice of every meeting of the Board shall be given to every member of the Board; (3) The quorum for the conduct of the business of the Board shall be seven members including the chairperson; (4) The chairperson shall preside at every meeting of the Board at which he is present but, in his absence, the members present shall elect one of their numbers to preside, who shall, with respect to that meeting and the business transacted thereat, have all the powers of the chairperson; (5) Unless a unanimous decision is reached, a decision on any matter before the Board shall be by a majority of votes of the members present and voting and, in the case of an equality of votes, the chairperson or the person presiding shall have a casting vote; and (6) Subject to subparagraph (4), no proceedings of the Board shall be invalid by reason only of a vacancy among the members thereof interest by Board members”. To facilitate formation, creation of governance structure and operationalisation of the Tea Research Foundation.

Committee Observation/Recommendation

The proposal was rejected by the Committee because there is no amendment to this provision in the Bill and the provisions in the Act is sufficient.

c) Disclosure of Interest by Board Members

(1) “If a member is directly or indirectly interested in any contract, proposed contract or other matter before the Board and is present at a meeting of the Board at which the contract, proposed contract or other matter is the subject of consideration, that member shall, at the meeting and as soon as practicable after the commencement thereof, disclose the fact and shall not take part in the consideration or discussion of, or vote on, any questions with. respect to the contract or other matter, or be counted in the quorum of the meeting during consideration of the matter: Provided that, if the majority of the members present are of the opinion that the experience or expertise of such member is vital to the deliberations of the meeting, the Board may permit the member to participate in the deliberations subject to such restrictions as it may impose but such member shall not have the right to vote on the matter in question; (2) A disclosure of interest made under this paragraph shall be recorded in the minutes of the meeting at which it is made; and (3) A member of the Board who contravenes subparagraph (1) commits an offence and is liable to imprisonment for a term not exceeding six months, or to a fine not exceeding one hundred thousand shillings, or both”.

Committee Observation/Recommendation

The proposal was rejected by the Committee because there is no amendment to this provision in the Bill and the provisions in the Act is sufficient.

d) Execution of Instrument

“Any contract or instrument which, if entered into or executed by a person not being a body corporate, would not require to be under seal, may be entered into or executed on behalf of the Board by any person generally or specially authorized by the Board for that purpose”. To facilitate formation, creation of governance structure and operationalisation of the Tea Research Foundation.

Committee Observation/Recommendation

The proposal was rejected by the Committee because there is no amendment to this provision in the Bill and the provisions in the Act is sufficient.

e) Minutes

“The Board shall cause minutes of all resolutions and proceedings of meetings of the Board to be entered in books kept for that purpose”. To facilitate formation, creation of governance structure and operationalisation of the Tea Research Foundation.

Committee Observation/Recommendation

The proposal was rejected by the Committee because there is no amendment to this provision in the Bill and the provisions in the Act is sufficient.

4.5 Kenya Tea Development Agency (KTDA)

Mr. Geoffrey Chege Kirundi, National Chairman, KTDA, in a meeting with the Committee held on 10th June, 2025 proposed the following amendments to the Tea (Amendment) Bill, 2023:

144. KTDA reiterated that the Bill seeks to address critical aspects of the Tea Act No. 23 of 2020, but raised concerns on certain provisions namely: (a) Centralization of Functions: The Tea Board of Kenya retains excessive control over both regulatory and commercial functions, potentially leading to conflicts of interest and inefficiencies (b) Erosion of Autonomy: Provisions that override the Memoranda and Articles of Association of tea factory companies undermine the autonomy granted under the Companies Act, Cap 486; (c) Inadequate Representation at the Tea Board of Kenya: The current structure limits equitable and inclusive representation, particularly for smallholder farmers who contribute significantly to tea production; (d) Market Restrictions: Mandatory auction requirements and overregulation of exports impede free market principles and the ability of farmers to seek better market opportunities.
145. Amend the Bill by establishing an independent Tea Industry Appeals Tribunal to provide accessible and cost-effective dispute resolution mechanisms, reducing the burden on court cases to the factory companies.
146. Amend the Bill by introducing mandatory annual public disclosure of TBK's audited accounts, licensing activities, and regulatory impact assessments to enhance transparency and accountability.

Clause 2

147. Amend the provision to read: "tea factory limited company" *means a tea factory collectively owned through shares by small scale tea growers, medium scale tea growers and large-scale growers*". The large-scale tea growers and independent factories have been left out of the factory definition.

Committee Observation/Recommendation

The proposal was rejected by the Committee because the definition of "tea factory" as it is currently defined in the Act is sufficient.

Proposed Amendment to Section 7

148. Amend section 7 (f) by deleting the words "*four persons. two...*" and replacing thereof with the words "*six persons, three...elected by the small holder*". This representation of the small holder is inadequate as compared to the area they represent.

Committee Observation/Recommendation

The proposal was rejected by the Committee because membership of the Board is currently eleven against the Mwongozo Code which recommends a maximum of 9.

149. Delete Section 22 (1). The justification for leaving the number of directors open to the Articles is because of the turnover of the Tea Factory Company, the shareholding of the Tea Factory Company, the geographical administration of the various Tea Factory Companies Limited and the flexibility in the management of the tea factory.

Committee Observation/Recommendation

The proposal was adopted by the Committee to allow the directorship of the companies to be managed by the Companies Act.

Proposed Amendment to New Section 34 A (2)

150. Delete Section 34 A (2) since it will create bottlenecks leading to delays in exportation of the tea. The requirement also duplicates duties undertaken by different government bodies in registering tea for the export market such as KEPHIS.

Committee Observation/Recommendation

The proposal was adopted by the Committee. Requiring tea to be registered by the Board before export can lead to delays and loss of clients given the manner in which tea is sold. This is a process that can be done administratively without expressly stating in the Act.

Proposed Amendment to Sections 30 to 32

151. Amend sections 30 to 32 by removing the word “exporting” from registration; brokers to submit brokerage agreements and appointed by the tea factory boards.

Committee Observation/Recommendation

The proposal was rejected by the Committee.

Proposed Amendment to Section 34 (9)

152. Amend by deleting the provision. The Companies Act stipulates how directors of a company are to be elected, number of directors as well as their tenure, and how to deal with conflict of interest which should be in line with the Tea Factory Articles of Association.

Committee Observation/Recommendation

The proposal was adopted by the Committee. The directors of tea companies are elected to sit in the holding companies because of the interests they protect. Any potential conflict of interest is governed by the Companies Act.

Proposed Amendment to New Section 36A (2)

153. Amend the provision to read: *"The prices offered at the direct sales shall be sold at a price above the average price recorded at the auction within the three months preceding the sale."* Direct sales offer exporters and buyers the flexibility to negotiate prices based on market conditions, demand, and tea quality. Tying direct sales to the highest auction prices will limit this flexibility.

Committee Observation/Recommendation

The proposal was adopted by the Committee. An average price within a duration of three months is more favourable. Pegging the price to the highest price recorded might lead to accumulation of stock and reduction of quality considering that the prices fluctuate.

Proposed Amendment to Section 36 (3)

154. Amend the provision to read: *"The Cabinet Secretary shall, in consultation with the Council of Governor prescribe regulations for the procedure of direct sale of tea."* Engaging with the county governments individually may lead to delays and inconsistencies in the formulation of regulations.

Committee Observation/Recommendation

The proposal was adopted by the Committee. It might be challenging for the Cabinet Secretary to consult all the 47 counties when making regulations, consulting the Council of Governors makes the process more efficient.

Proposed Amendment to Section 36 (6)

155. Amend by deleting the provision because the implementation will pose a challenge as the amounts payable per Factory Company Limited will vary, thereby taking away from the uniformity of payment within the sector.

Committee Observation/Recommendation

The Bill proposes a deletion of the subsection already. The proposal was adopted by the Committee.

Proposed Amendment to Section 36 (8)

156. Amend by deleting the provision and retaining the Mombasa Tea Auction as the sole auction centre because establishing multiple auction centres in tea-growing counties risks segmenting the tea market, leading to difference in pricing. This could dilute Kenya's competitive edge in the global tea market, which benefits from a centralised pricing system.

Committee Observation/Recommendation

The proposal was rejected by the Committee because the intention of the proposed amendment is to open up the market and allow establishment of competent auction centres.

Proposed Amendment to Section 47 (1)

157. Amend by harmonizing and making fee structures transparent across all counties. County fees lack safeguards against double taxation/economic barriers.

Committee Observation/Recommendation

The proposal was rejected by the Committee because county governments are independent and have structures for charging fees within the law.

Proposed Amendment to Section 48 (1)

158. Amend by assigning to manufacturers and producers instead of exporters. Since this is a misplaced additional responsibility.

Committee Observation/Recommendation

The proposal was adopted with amendments to allow for a ten-year period for value addition pegged on the commencement of business and not the commencement of the Act.

Proposed Amendment to Section 53

159. Amend by capping the levy at Kshs. 1/Kg of made tea while exempting specialty/value added tea. Also revise allocation to 70% marketing, 10% TBK functions and 20% research and delete infrastructure provision and/or fund TBK and Tea Research Foundation from the ex-chequer.

Committee Observation/Recommendation

The proposal was rejected by the Committee.

ZONES

Zone 2 & 3

Clause 3 (section 5)

160. Amend by deleting paragraph (b) and (j); and amending paragraph (l) by removing minimum payment. Retain maximum payment period. Conflicting roles and distortion of market dynamics.

Committee Observation/Recommendation

The proposal was rejected by the Committee because the functions of the Board under the Act are sufficient.

Clause 4 (section 7)

161. Replace with a minimum of seven (7) directors representing the smallholders from East and West regional block. Under representation of smallholders at the Tea Board of Kenya.

Committee Observation/Recommendation

The proposal was rejected by the Committee because the membership of the Board is currently eleven against the *Mwongozo* Code which recommends a maximum of 9.

Clause 6 (section 22)

162. Amend by deleting (2); and amending (4). Appointment should be as per the respective factories MEMARTS. Interference with Company Governance.

Committee Observation/Recommendation

The proposal was rejected by the Committee

Zone 5

Clause 6 (section 22)

163. Amend section 22 (1) by removing “*maximum of five*” and replacing with “*Minimum of six and maximum of nine members*”.

Committee Observation/Recommendation

The proposal was rejected by the Committee because there is a proposed amendment to delete the provision on the number of directors.

Zone 7

Clause 2

164. The current definition of “*tea factory limited*” limits tea factory ownership to small and medium-scale ownership by shareholding. Expand this provision to include all tea factories regardless of ownership structure, to ensure inclusivity and avoid discrimination.

Committee Observation/Recommendation

The proposal was rejected by the Committee because the definition in the principal Act is sufficient.

Clause 6 (section 22)

165. Proposes changes to the composition of the Board to 5 out of which 3 will be elected directors.

Committee Observation/Recommendation

The proposal was rejected by the Committee because the provision on the number of Board members has been deleted from the Act.

4.6 East Africa Tea Trade Association (EATTA)

Mr. George Omunga, MD, East Africa Tea Trade Association in a meeting with the Committee held on 10th June 2025, proposed the following amendments to the Bill:

Clause 2

166. Amend definition of the word "*value addition*" by inserting the words "*into a packet or a container holding not more than ten kilograms*" appearing immediately after the word "*branding*". As read together with the Tea Act upon insertion of the amendment, Value Addition is defined as "improvements on made tea through packaging, blending, flavouring, tea extracts, aroma and branding "*into a packet or a container holding not more than ten kilograms*". This definition restricts value-added tea as being tea packed into a container of not more than 10kg. There are value-added tea products that are packed into 25Kg packages as required by markets like Sudan and other teas as tea extracts that are packed in drums, therefore going by this definition would exclude those.

Committee Observation/Recommendation

The proposal to amend definition of the term ‘value addition’ was adopted by the Committee with amendment to capture the correct definition.

167. Amend paragraph 2 (e) by inserting the following new definitions in the proper alphabetical sequence "*direct sales*" to mean *a contractual arrangement between a factory and an overseas buyer or local buyer for the sale of made tea based on mutually accepted terms and conditions enforceable in law*"; and "*direct sales overseas*" to mean *bulk tea sales exported directly by a tea factory to an export market*. This is because there is no need of two definitions which mean the same. The first definition is preferred as it recognizes that direct sales can either be overseas and locally.

Committee Observation/Recommendation

The proposal was rejected by the Committee because the term has not been used in the Act.

Clause 3

168. Amend the clause by deleting subclause (2) and substituting therefore the following new paragraph, "The Cabinet Secretary shall appoint the members under subsection (1)(e), (f), (g) and (h) by notice in the Gazette.
169. Amend the clause by deleting subclause (3) and substituting therefor the following new subclause, "*The appointment of the chairperson or members of the Board under subsection (1)(a), (e), (f), (g) and (h) and shall consider the gender, regional and other diversities of the people of Kenya*".

Committee Observation/Recommendation

The proposal was adopted by the Committee with amendment to remove the Principal Secretary for National Treasury from the list of those appointed by gazette notice by the Cabinet Secretary. The proposed amendment has been cured by paragraph 4(a)(i) of the Bill.

Clause 4

170. Amend by deleting subsection (1) and substituting therefor the following new subsection, "*The persons appointed under section 7(1)(a), (e), (f), (g), and (h), shall serve for a term of three years renewable once on account of good performance*". The provision on account of good performance be expunged from the clause as there exists no objective criteria to determine what constitutes good performance.

Committee Observation/Recommendation

The proposal was adopted with amendments by the Committee however, it has been cured by the proposed amendment in the Bill.

Clause 6

171. Amend by deleting 1(A) since all tea brought into a Special Economic Zone Enterprise or an Export Processing Zone shall be declared to the Board in the prescribed form.

Committee Observation/Recommendation

The proposal was rejected by the Committee because all tea needs to be declared to the board to control importations.

Clause 7

172. Amend Section 32 of the principal Act subsection (4) by deleting the words "limited company" appearing immediately after the words "a tea factory".

Committee Observation/Recommendation

The proposal was rejected by the Committee because it is important to stipulate the fee paid to brokers.

Clause 8

173. Amend Section 34 (3)(a) and 34(4) of the Principal Act should by deleting and be addressed under the regulations in sections 74 (b) and (c) of the Tea (Amendment) Act 2023.

Committee Observation/Recommendation

The proposal was adopted with amendment by the Committee to retain definition of tea factory as it is currently in the Act.

Clause 10

174. Amend 10 (b) in subsection (2) by deleting subsection (1) and substituting therefor the following new subsection, “A tea factory intending to participate in a tea auction shall: (a) register with the Board and the auction organizer; and (b) participate in the auction directly and through a management agent”. A tea factory can be allowed to register with the auction organizer or participate in the auction through the management agent.

Committee Observation/Recommendation

The proposal was rejected by the Committee because it is already provided for under section 36(7) of the Act.

Clause 12

175. Amend section 36 by deleting subsection (8). The benefits of having a consolidated auction that accommodates all the teas from the region (East and Central Africa) provides economies of scale that translate to lower auction selling costs for the producers as well as convenience to the local and global buyers who when blending different origin teas will need the teas to be easily accessible.

Committee Observation/Recommendation

The proposal was rejected by the Committee.

176. Amend by adopting clause 36A (1) and deleting the introduced Section 36A (2) & (3) and 36B from the Bill. The proposal is unduly prejudicial to processors of tea as businesses that should have freedom to sell their tea at an appropriate price/set price to ensure the business remains sustainable.

Committee Observation/Recommendation

The proposal was rejected by the Committee, the provision on direct sales should be in the Act.

Clause 13

- 177.Delete section 36A (3) & (4). Since consultation with county governments in the stipulation of procedure for direct sales will be unconstitutional for delegating national policy development for a scheduled crop to the county government, requiring county government consultation for tea trading will create inefficiencies, restrict trade, and conflict with national economic policies. It discriminates against tea businesses compared to other sectors and lacks clarity on the issue it aims to address. Additionally, it is unconstitutional to delegate tea policy direction to county governments.

Committee Observation/Recommendation

The proposal was rejected by the Committee, the provision on direct sales should be in the Act.

- 178.Amend by deleting Clause 36B from the Bill. The proposal for a direct settlement scheme is not clear in terms of who it is intended for and it interferes with the freedom of contracts. Tea producers other than the Tea Factory Limited Companies have obligations that may get disrupted by the imposition of the settlement scheme

Committee Observation/Recommendation

The proposal was rejected by the Committee because it is important to stipulate in the Act how a factory can participate in the auction if they wish to.

Clause 8

- 179.Amend by deleting Clause 36 (8) from the Bill. The proposal which envisions the setting up of auction centres within the counties. will compromise the benefits of a Centralized Multi-origin auction location and platform, currently bringing together teas from the region (East and Central Africa) and which has the convenience of accessibility to the port and attraction of many Global Tea Buyers.

Committee Observation/Recommendation

The proposal was rejected by the Committee because the Bill intends to open up the market for the trade of tea and not restrict it.

Clause 15

180. Amend the clause to adopt quantum based (kg) levy so that farmers who produces better quality are not punished. They proposed that the Tea Levy should be apportioned as follows: Tea Board (40%), tea marketing (20%), tea research (30%) and infrastructure development (10%) respectively. The 10% infrastructure development should be administered through the county governments in the tea growing areas while the 20% marketing allocation should be managed by a committee with representation from the various tea sector players and the Tea Board of Kenya with clear annual budgets and a monitoring process.

Committee Observation/Recommendation

The proposal was rejected, the provision in the principal Act is sufficient

CHAPTER FIVE

5.0 COMMITTEE OBSERVATIONS

Having considered the Bill, the Committee made the following observations on the Tea (Amendment) Bill (Senate Bill No. 1 of 2023):

1. The amendments proposed to the Tea Act, 2020 pursuant to the out of court settlement between the Tea Board of Kenya, KTGA and East Africa Tea Traders Association aim at address various contentious issues that had been raised in a Constitutional Petition filed by some tea industry stakeholders challenging implementation of various sections of the Tea Act, 2020. The withdrawal of the court cases by KTGA and EATTA was premised on the understanding that the proposed additional amendments would be considered by Parliament.
2. There is need to address the equitable sharing of the tea levy within the tea growing industry and stakeholders. Key among them are county governments, Tea Board of Kenya, Tea Marketing, Tea Research Foundation and infrastructural development of the tea regions considering each need of the stakeholder and the development of the industry.
3. All the stakeholders were in support of the Bill noting that the tea sector in the country needed the measures proposed in the Bill to revamp the industry. The stakeholders expressed commitment to engage constructively in matters that affect the tea industry and tea farmers in the sector.

CHAPTER SIX

6.0 COMMITTEE RECOMMENDATION

The Committee having reviewed the Tea (Amendment) Bill (*Senate Bill No. 1 of 2023*) recommends that the House **approves the Bill with amendments** as proposed in the Schedule in Chapter Seven of this Report.

