

# Tea Export Procedures Guide for SMEs in Kenya



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# Kenya



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# Acronyms

|         |   |
|---------|---|
| AFA     | Agricultural and Food Authority                               |
| AfCFTA  | African Continental Free Trade Area                           |
| AU      | African Union   |
| CAC     | Codex Alimentarius Commission                                 |
| CBI     | Centre for the Promotion of Imports from developing countries |
| COO     | Certificate of Origin   |
| CTC     | Crush, Tear, Curl   |
| DFQF    | Duty Free Quota Free  |
| EAC     | East African Community  |
| EATTA   | East Africa Tea Traders Association                           |
| EBA     | Everything But Arms   |
| EPA     | Economic Partnership Agreement                                |
| EC      | European Commission   |
| ECS     | Electronic Certification System                               |
| ENS     | Entry Summary Declaration                                     |
| EORI    | Economic Operator Registration Identification                 |
| EU      | European Union  |
| EXS     | Exit Summary Declaration                                      |
| GSP     | Generalized System of Preferences                             |
| GSP     | Good Storage Practices  |
| HACCP   | Hazard Analysis and Critical Control Point                    |
| HCD     | Horticultural Crops Directorate                               |
| HVO     | Head Verification Officer                                     |
| ICS     | Import Control System   |
| ISO     | International Organization for Standardization                |
| ITC     | International Trade Centre                                    |
| IPR     | Intellectual Property Rights                                  |
| KEBS    | Kenya Bureau of Standards                                     |
| KEPHIS  | Kenya Plant Health Inspectorate Service                       |
| KEPROBA | Kenya Export Promotion & Branding Agency                      |
| KES     | Kenyan Shilling   |

|        |   |
|--------|---|
| KESWS  | KenTrade Single Window System                             |
| KMA    | Kenya Maritime Authority                                  |
| KPA    | Kenya Ports Authority                                     |
| KRA    | Kenya Revenue Authority                                   |
| KTDA   | Kenya Tea Development Authority                           |
| KTGA   | Kenya Tea Growers Association                             |
| KWATOS | Kilindini Waterfront Automated Terminal Operations System |
| MAR    | Market Access Regulation                                  |
| MRL    | Maximum Residue Limits                                    |
| MARKUP | Market Access Upgrade Programme                           |
| PAH    | Polycyclic Aromatic Hydrocarbons                          |
| PCPB   | Pest Control and Produce Board                            |
| RoO    | Rules of Origin   |
| SAD    | Single Administrative Document                            |
| SCEA   | Shippers Council of Eastern Africa                        |
| SPS    | Sanitary and Phytosanitary                                |
| SME    | Small and Medium-sized Enterprise                         |
| TFA    | Trade Facilitation Agreement                              |
| THIE   | Tea and Herbal Infusions Europe                           |
| TRFK   | Tea Research Foundation of Kenya                          |
| TBT    | Technical Barriers to Trade                               |
| UCR    | Unique Consignment Reference                              |
| UN     | United Nations  |
| USD    | United States Dollar                                      |
| UTZ    | Universal Trade Zone                                      |
| VAT    | Value-added Tax   |
| VGM    | Verified Gross Mass                                       |
| WEDF   | World Export Development Forum                            |
| WTO    | World Trade Organization                                  |
| WB     | World Bank  |

## About This Guide

This *Tea Export Procedures Guide for SMEs in Kenya* is prepared under the European Union – East African Community Market Access Upgrade Programme (EU-EAC MARKUP), a regional development initiative implemented by the International Trade Centre (ITC) that aims to contribute to the economic growth of the EAC through supporting increased exports of agribusiness and horticultural products, promoting regional integration and access to the European market.

From a crop that could only be farmed and owned by the colonial settlers up until the early 1950s, tea has, since independence, become a leading pillar of Kenya's development, contributing significantly to its economic growth, employment and foreign exchange earnings. An all year-round crop, tea contributes 23% of total foreign exchange and 2% of the agricultural gross domestic product (GDP). Consumed both domestically and standing as the leading export, the sector earned the country approximately KES 120 billion in export earnings, and KES 22.0 billion in local sales, according to the Economic Survey 2020. In addition, the industry is thought to support over 5M people directly. Grown mainly by about 400,000 smallholder farmers, who account for over 60% of total production in the country, the benefits especially in terms of earnings from the sector are perceived as low and are unpredictable owing to among others, changing weather and consumption patterns as well as glut in the export destination markets. Notable also is that Kenya exports over 90% of its total production, with 73% traditionally going to only 5 markets. This points to a need to diversify both product offerings and markets, opportunities that small and medium enterprises (SMEs) may exploit.

SMEs are however often constrained in exploiting such opportunities. By their very nature, SMEs often lack the technical knowledge, financial means and market information on export markets, opportunities in them and requirements and procedures necessary to support their exporting ventures. It is this last challenge that this Tea Export Procedures Guide seeks to address.

Targeted at SMEs that are ready to export or already exporting, the overall objective of the Tea Export Procedures Guide is to build knowledge and awareness on export market opportunities for Kenyan tea, especially in relation to the EU; the quality-related requirements (SPS, TBT, standards, rules of origin) to access the EU market and the step-by-step procedures for exporting the tea. While a lot of the information contained in this Guide is available on various sources on the internet, the Guide goes a step further to provide tea SMEs with a simplified and consolidated information pack. In addition to SME exporters, the Guide is also a useful tool for Trade Support Institutions (TSIs) in Kenya, such as Business Membership Organisations (BMOs) and public sector bodies who may use the information herein to support SMEs to take advantage of opportunities or to identify ways of facilitating the exporting process.

In terms of structure, the Tea Export Procedures Guide is divided into five chapters. Chapter 1 introduces Kenya's tea trade, looking at its production, exports and imports. The Chapter also looks at Kenya in the context of EAC's imports and exports. The chapter delves deeper into the EU as an export destination, looking at trends and analysing the export potential in the EU. Chapter 2 looks at import market requirements that an SME must meet before they export their products, in general and with specific reference to the EU Market. In Chapter 3, the guide provides a summary as well as a step by step elaboration of the whole gamut of business processes and regulatory activities required to export tea in Kenya for a first time exporter – from registering as an exporter, going through the various state entities to obtain various certifications and approvals, to releasing the tea at the port for shipment. Chapter 4 looks at those key processes, requirements and procedures for importing tea into the EU. Since the importer in the EU takes a lead in most of the required action, the Chapter narrows down on those actions and requirements where the input of the exporter is critical. In Chapter 5, the guide provides information on where SMEs may find additional information and help to support their exporting journey.



# Chapter 1: Kenya Tea Trade

## Overview and Objectives of Chapter 1:

This Chapter provides an overview of Kenya's tea trade, looking at its production, exports and imports, both existing and potential. The Chapter delves deeper into the EU as an export destination, looking at the size of the market, the trends, the export potential as well as the trading regime between Kenya and the EU. Given the forthcoming African Continental Free Trade Area, the Chapter also elaborates the potential market for various coffee products across Africa.

The **key objectives** of this Chapter are:

- To build the knowledge and understanding of the Kenyan tea sector SME of the global, EU and African markets for coffee and the export opportunities in them.
- To provide the tea sector SMEs in Kenya with a list of credible information and data sources on the coffee sector

## Overview of the Tea Sector in Kenya

Tea was introduced in Limuru, Kiambu County of Kenya from India around 1903 by the white settlers. Commercial cultivation commenced in 1924 in Limuru and Kericho. Originally reserved exclusively to large-scale settlers and multinationals, Kenyans were allowed to start planting tea in 1956. After independence in 1963, the sector was open to small scale farmers, resulting in growth and importance of the sector<sup>1</sup>. Rising from 21,500 hectares of tea harvested and 18,000 tonnes produced in 1963 to 120,000 hectares and almost 300,000 tonnes by the end of the century, the current production is on 269,430 hectares, producing approximately 534,754 tonnes, going by 2019 data. Tea is grown in the highlands located within the West and East of the Rift Valley, spread over 19 out of the 47 counties in the country<sup>2</sup>.

The tea industry is one of the main pillars of the Kenyan economy. It contributes to 23% of total foreign exchange earnings and 2% of the Agricultural GDP. Annually, the country produces on average over 450 million kilograms of tea, which earn the country about KES 120 billion in exports, and KES 22. billion in local sales. The industry supports about 5 million people directly and indirectly while an estimated 650,000 tea growers depend on tea, making the industry one of the leading sources of livelihood in the country<sup>3</sup>.

The tea sector is regulated by the Tea Directorate, which was established in June 1950 under the Tea Act (Cap 343) to regulate tea growing and manufacture. The Directorate sits under the Agricultural Food Authority (AFA), which reports to the Ministry of Agriculture. Under the Tea (Amendment) Act 1999, the Directorate's mandate includes: licensing of tea manufacturing factories; carrying out of research on tea through its technical arm, the Tea Research Foundation of Kenya; the registration of growers, buyers, brokers, packers, management agents and any other person dealing in tea; and promotion of Kenya tea in both the local and the international markets. The Directorate also disseminates information relating to tea and advises the Government of all policy matters regarding the tea industry.<sup>4</sup>

Other key bodies in the tea industry include the Tea Research Foundation of Kenya (TRFK), based in Kericho, which carries out research on the control of pests and diseases, improvement of planting material, husbandry, yields and quality. The Kenya Tea Development Agency (KTDA) Ltd, which was incorporated as a private company on July 1st, 2000 to take over the role and functions of the former Kenya Tea Development Authority, advises smallholder tea farmers on the best method of tea growing, collects green leaf, processes and markets the tea on their behalf. Spread in all tea growing districts, the smallholder sub-sector accounts

1 AFA Tea Directorate (<https://tea.agricultureauthority.go.ke/index.php/sectors/overview>)

2 Ibid

3 Ibid

4 Ibid

for over 60 per cent of total production from 54 registered tea factories serving over 400,000 growers, who account for over 12 per cent of the world's black tea. The Kenya Tea Growers Association (KTGA), established in 1931 by large-scale tea producers (with 10 hectares and above), promotes the common interests of the plantation sub-sector members in the cultivation and manufacture of tea, as well as good industrial relations and wage policies for the workers. Most large estate owners manufacture tea in their own factories while smaller estates and other out growers deliver leaf to existing tea factories. The plantation sub-sector maintains 39 tea factories and accounts for about 40 percent of total production<sup>5</sup>.

The East African Tea Trade Association (EATTA), which brings together tea producers, brokers, buyers and packers in Africa, was established to promote the interests of the tea trade in Africa, by ensuring orderly marketing of tea, fostering relations within the trade and to collect and circulate statistical information necessary for members in their conduct of business. Under the umbrella of EATTA, different categories of members have formed their own sub-associations. These are the Tea Buyers, Tea Brokers, and Tea Warehouses Associations. The EATTA also operates the Mombasa Tea Auction Process<sup>6</sup>.

There are at least **six different types of tea** recognised globally: **White, Green, Oolong, Black, Yellow and dark post-fermented tea**<sup>7</sup>. Classification is as a result of the tea leaves being processed in any one of three different ways (unfermented, partially fermented, or completely fermented). The ones mainly found in Kenya are:

- Green tea is made by steaming green tea leaves to stop oxidation, rolling the leaves to express flavour and then heating them to dry.
- Black tea - is made by drying the green leaves in a process known as "withering" so the leaves become oxidized (also known as fermented), rolling them, and then applying hot air to stop the oxidation process.
- Oolong tea, also known as red teas, are prepared like the black teas, but with a shorter drying period so the leaves are not as oxidized, or fermented.

Kenya has a near perfect tropical climate, with the right elevation of 4,900 to over 8,000 feet above sea level; plentiful of sunshine and rainfall, **which ensures that tea grows in abundance all year round, with no dominant period**. However, because of the weather patterns, the best tea is picked from January to March and again from June to August. **Kenya is the third largest producer in the world, with total production of around 534,754 tonnes** (see table 1 below for exports plus locally consumed). **The leading producers are India** (1,325,050 tonnes) and China (2,473,443 tonnes)<sup>8</sup>. Based on data from AFA Tea Directorate, about 93% of total production is exported, with 7% being consumed locally.

**Table 1, Tea crop production**

| Year | Total Planted Hectares | Total Exports in Kg | Value of Exports in KES | Local Consumption (Kg) |
|------|------------------------|---------------------|-------------------------|------------------------|
| 2015 | 209,426                | 443,461,219         | 125,250,543,666         | 29,370,102             |
| 2016 | 228,178                | 480,330,230         | 120,695,558,063         | 29,751,875             |
| 2017 | 232,742                | 415,715,284         | 129,278,469,217         | 37,631,532             |
| 2018 | 234,179                | 474,861,590         | 140,863,156,640         | 38,005,170             |
| 2019 | 269,430                | 496,754,877         | 117,907,180,042         | 37,819,141             |

Source: AFA Tea Directorate

5 Ibid

6 AFA Tea Directorate (<https://tea.agricultureauthority.go.ke/index.php/sectors/overview>) / See also <https://eatta.com/>

7 <https://eatta.com/typesoftea/> see also: <https://www.cbi.eu/market-information/tea>

8 <https://www.worldatlas.com/articles/the-worlds-top-10-tea-producing-nations.html>

## Kenya's Tea Exports within the Global Market

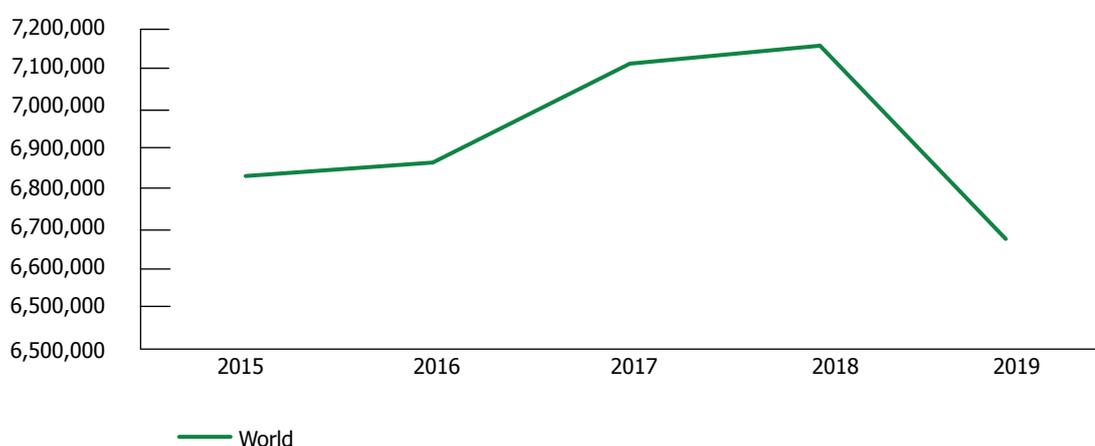
Majority of the tea in Kenya is sold through the tea export auction system which was initiated in November 1956 in Nairobi, initially on a very small scale with only small quantities of secondary grade teas offered fortnightly under the auspices of the EATTA. The bulk of East African tea production was directly consigned to the London Auctions. As producers offered additional volume and quantity in the local export auctions, quantities increased, attracting international buyers. In 1969 it was decided by both Producer and Buyer members of the Association that, since tea was mainly warehoused, handled and shipped from Mombasa, the Auctions be moved from Nairobi to the Port of Mombasa. Auctions are held weekly, on Mondays and Tuesdays. There is presently, a main grades auction held on Tuesdays and secondary grades auction held on Mondays from 9.00 am. The variety of quality and progressively increased quantities offered have made Mombasa the second largest black tea auction centre in the world after Colombo in Sri-Lanka and the auction has gained the reputation as a centre for some of the best 'crush, tear and curl' (CTC) top grades in the world and an international blending floor with teas coming from within and outside Africa.

The Auction currently has offerings from Kenya, Uganda, Tanzania, Rwanda, Burundi, Democratic Republic of Congo, Malawi, Madagascar, Mozambique and Ethiopia, making Mombasa the only auction centre in the world trading in straight-line teas from more than one country. The auctions attract principal overseas interest from the major tea consuming countries in the world with the United Kingdom, Pakistan, Egypt, Afghanistan, Sudan, Iran, Yemen, United Arab Emirates, Ireland, Somalia, Canada and Singapore as the major players. The buyer representation spreads over more than fifty countries internationally. With the closure of the London Auction in 1998 the volumes offered at the Mombasa Auctions have considerably grown with an expectant market expansion. Tea exporters register all sale contracts with the tea directorate within thirty days of being finalized in a Contract Registration Form together with the relevant export documents<sup>9</sup>. A certain percentage of tea is sold by brokers through private treaties to buyer members. Teas bought from the Auction or by private treaty may be exported or packed and sold on the local market<sup>10</sup>.

Most of Kenya's teas are sold as bulk CTC and often used by tea blenders across the world. Kenya is however working towards selling more national branded teas, including through incentives like Fair Trade and organic certifications. The aim is not only to attract attention to Kenyan tea, but to also earn more premium prices. A number of factories and large tea estates are already exporting branded Kenyan tea.

The world market for tea exports was worth around **USD 6.6 billion** in 2019 as seen in Figure 1 across and Table 2 below. The value increased steadily over the period 2015 to 2018, before experiencing a 7% drop in 2019. Looking at Table 2, this drop corresponds to a decrease by the world's leading importer, Pakistan.

**Figure 1, World Imports of Tea, whether or not flavoured, in '000 USD**



<sup>9</sup> <https://eatta.com/>

<sup>10</sup> Ibid

Looking at Table 2 and based on 2019 data, the top importers of tea are **Pakistan** (7.5% of total world imports); followed closely by the **USA** with 7.3% of total global imports and **Russia with 6.4%** of total global imports. Others in the top 10 are **UK, Egypt, Viet Nam, Iran, Saudi Arabia, Morocco and Germany**. Table 2 presents data for the top 20 importers over a 5- year period.

The **most sought- after tea is HS 090240** (black fermented tea or partly fermented tea, whether or not flavoured of > 3 kg), which constitutes about **51.3% of imported value in 2019**. This is followed by the same tea in packaging of <= 3 kg, at 23.5% of total values imported in 2019. Green tea constitutes the remaining amount of 25.2% of total value exported in 2019, with packaging of > 3 kg (HS 090220) being slightly higher at 13% against 12.2% for HS 090210. See Table 3 below

**Table 2, Top 20 importers of Tea, whether or not flavoured, in '000 USD**

| IMPORTERS                | 2015      | 2016     | 2017     | 2018     | 2019     |
|--------------------------|-----------|----------|----------|----------|----------|
| World                    | 6,830,834 | 686,9453 | 710,7268 | 715,8779 | 666,4293 |
| Pakistan                 | 458,103   | 489,960  | 550,362  | 573,487  | 496,721  |
| United States of America | 468,732   | 483,122  | 486,565  | 487,294  | 488,414  |
| Russian Federation       | 611,949   | 548,259  | 524,966  | 497,016  | 425,724  |
| United Kingdom           | 400,951   | 362,871  | 404,315  | 397,676  | 356,150  |
| Egypt                    | 288,239   | 305,867  | 273,814  | 318,882  | 276,492  |
| Viet Nam                 | 9,162     | 10,900   | 11,171   | 23,550   | 253,356  |
| Islamic Republic of Iran | 239,183   | 261,129  | 282,691  | 292,357  | 252,185  |
| Saudi Arabia             | 255,709   | 256,432  | 263,159  | 252,516  | 236,629  |
| Morocco                  | 197,065   | 199,122  | 220,663  | 220,287  | 231,999  |
| Germany                  | 225,546   | 231,877  | 228,750  | 237,475  | 220,455  |
| China                    | 105,563   | 111,671  | 149,445  | 177,824  | 187,320  |
| Hong Kong, China         | 71,020    | 84,550   | 109,281  | 151,848  | 186,429  |
| Japan                    | 174,015   | 165,452  | 177,327  | 182,392  | 179,805  |
| France                   | 166,035   | 163,420  | 169,748  | 180,940  | 166,887  |
| Netherlands              | 111,712   | 138,791  | 145,546  | 153,581  | 153,762  |
| Canada                   | 134,036   | 140,969  | 149,706  | 145,620  | 138,797  |
| Poland                   | 105,513   | 103,187  | 114,033  | 116,556  | 122,812  |
| United Arab Emirates     | 468,277   | 483,590  | 303,861  | 323,161  | 117,065  |
| Kazakhstan               | 110,201   | 112,244  | 122,745  | 112,716  | 107,803  |
| Australia                | 105,425   | 98,633   | 106,367  | 103,462  | 105,433  |

Source: ITC calculations based on UN COMTRADE and ITC statistics. The world aggregation represents the sum of reporting and non- reporting countries

**Table 3, Breakdown of import values by products for Tea, whether or not flavoured, in USD '000**

| HS Code | Product label   | 2015    | 2016    | 2017    | 2018    | 2019,   | % Based on 2019 values |
|---------|---|---------|---------|---------|---------|---------|------------------------|
| 090240  | Black fermented tea and partly fermented tea, whether or not flavoured, in immediate packings of > 3 kg   | 3348058 | 3391671 | 3818728 | 3803039 | 3419262 | 51.3                   |
| 090230  | Black fermented tea and partly fermented tea, whether or not flavoured, in immediate packings of <= 3 kg. | 2120613 | 2123250 | 1893311 | 1806835 | 1564508 | 23.5                   |
| 090220  | Green tea in immediate packings of > 3 kg   | 573722  | 660510  | 728339  | 773816  | 863725  | 13.0                   |
| 090210  | Green tea in immediate packings of <= 3 kg  | 788437  | 693555  | 661167  | 768650  | 812580  | 12.2                   |

Source: ITC calculations based on UN COMTRADE and ITC statistics.

With regard to exporting countries, **China is the world's leading exporter, with USD 2 billion** worth of export, or 27% of all total exports based on 2019 data. **Kenya follows as the 2nd highest exporter, with 15% of total exports worth USD 1.1 billion.** India is third, with 11.1% of total exports, worth USD 813M; followed by Sri-Lanka with 10% worth USD 740 Million. **Combined, the 4 top exporters account for 64.1% of all total exports globally.** Worth noting is that some of the world top importers – USA, Russia, UK and Germany - are also top exporters, implying that they are entry markets to a wider group of consumers.

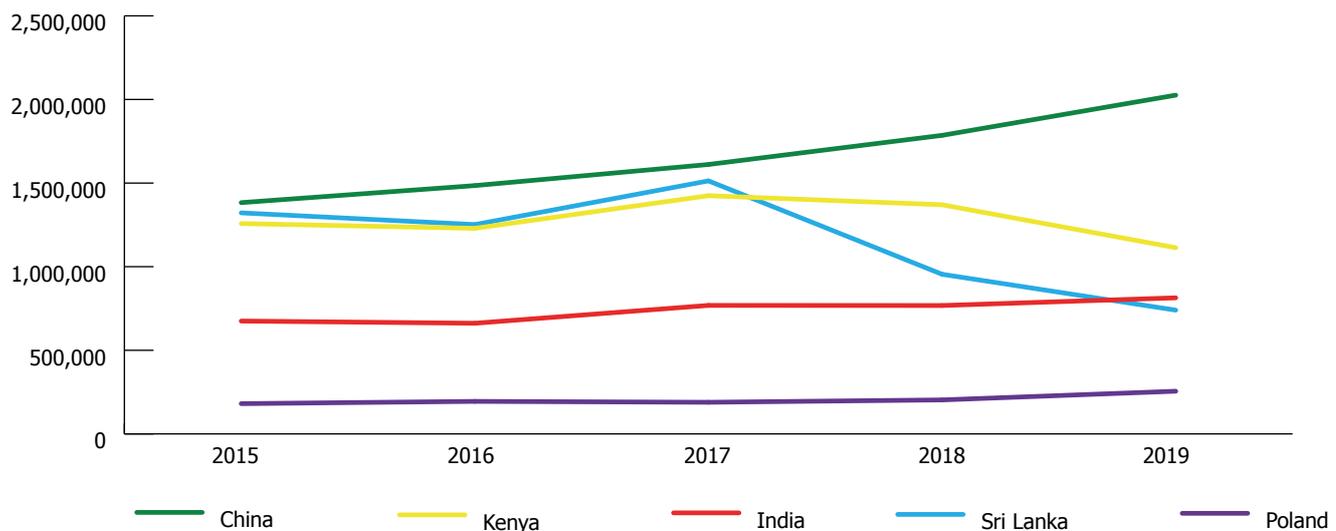
**Table 4, Top 25 Exporting Countries of Tea, whether or not flavoured, in '000 USD**

| Exporters                | 2015      | 2016      | 2017      | 2018      | 2019      |
|--------------------------|-----------|-----------|-----------|-----------|-----------|
| World                    | 7,310,457 | 7,462,922 | 8,105,390 | 7,861,232 | 7,310,337 |
| China                    | 1,383,062 | 1,484,898 | 1,611,224 | 1,785,365 | 2,025,787 |
| Kenya                    | 1,257,871 | 1,229,271 | 1,424,519 | 1,370,330 | 1,113,433 |
| India                    | 674,857   | 661,637   | 768,406   | 767,710   | 813,746   |
| Sri Lanka                | 1,321,899 | 1,251,730 | 1,513,207 | 954,548   | 740,101   |
| Poland                   | 180,799   | 194,409   | 189,027   | 203,138   | 255,209   |
| Germany                  | 217,140   | 236,639   | 250,127   | 258,314   | 244,120   |
| United Arab Emirates     | 116,871   | 1,175,65  | 188,522   | 295,037   | 174,117   |
| United Kingdom           | 147,263   | 1,348,24  | 137,612   | 140,430   | 138,121   |
| Japan                    | 85,941    | 109,031   | 129,876   | 142,433   | 137,147   |
| Viet Nam                 | 212,422   | 225,410   | 226,797   | 209,350   | 127,684   |
| Taipei, Chinese          | 53,957    | 63,672    | 89,615    | 112,259   | 124,803   |
| United States of America | 110,171   | 128,042   | 135,847   | 124,424   | 111,695   |
| Russian Federation       | 67,528    | 76,319    | 92,271    | 97,928    | 102,237   |
| Indonesia                | 126,051   | 113,107   | 114,232   | 108,418   | 93,264    |
| Netherlands              | 79,771    | 103,317   | 95,444    | 92,299    | 92,369    |
| Argentina                | 99,963    | 97,032    | 95,177    | 94,674    | 89,251    |
| Malawi                   | 64,755    | 67,140    | 71,567    | 87,718    | 80,097    |
| Hong Kong, China         | 21,897    | 27,364    | 38,367    | 61,375    | 78,330    |
| Belgium                  | 82,487    | 83,124    | 86,047    | 76,139    | 69,864    |
| France                   | 58,341    | 56,450    | 60,780    | 63,158    | 58,755    |
| Rwanda                   | 22,119    | 18,451    | 84,267    | 92,555    | 52,984    |
| Canada                   | 30,953    | 36,005    | 45,217    | 41,432    | 44,202    |
| Morocco                  | 22,225    | 28,884    | 27,156    | 44,597    | 37,367    |
| Tanzania                 | 46,300    | 44,433    | 48,691    | 45,427    | 33,176    |
| Malaysia                 | 5,821     | 9,594     | 10,400    | 23,253    | 33,112    |

Source: ITC calculations based on UN COMTRADE and ITC statistics. The world aggregation represents the sum of reporting and non- reporting countries

Looking at *Figure 2* below, we note a steady rise in the exports from China since 2015, while for Kenya, the exports registered a rise in 2017, before declining in 2018 and 2019. India has been on a steady increase, albeit gradual. Sri Lanka has been on a steady decline like Kenya, but a much sharper one.

**Figure 2, Top 5 Global Exporters of Tea, in '000 USD, Trends**



Source: ITC calculations based on UN COMTRADE and ITC statistics.

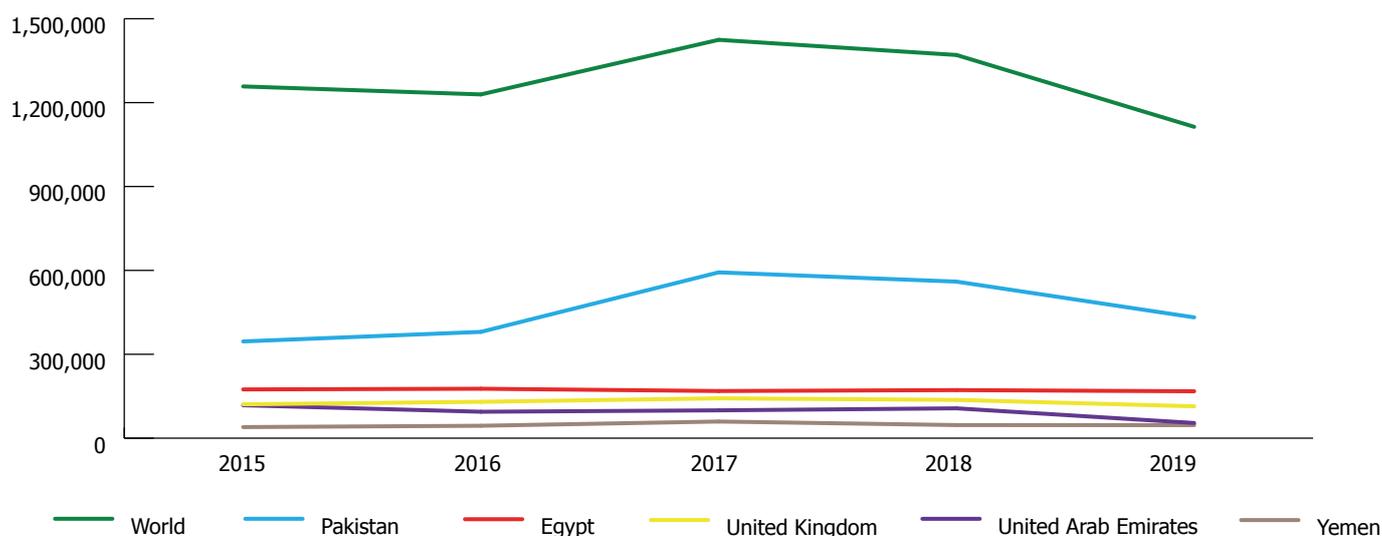
Looking specifically at Kenya’s exports, the main destination market for tea is Pakistan with 38.8% of total exports worth USD 432M, followed by Egypt (USD 168M), UK (USD 114M), UAE (USD 54M) and Yemen (47M). Combined, the 5 top markets account for 73% of all total tea exports from Kenya, point to a need to diversify the markets and the offerings. So dependent is Kenya on its top market that the overall exports are a mirror of the trade with Pakistan, rising and falling in tandem with each other, as seen in *Figure 3* below.

**Table 5, Top 20 Importing Markets for Tea Exported by Kenya, in '000 USD**

| Importers                | 2015      | 2016      | 2017      | 2018      | 2019      |
|--------------------------|-----------|-----------|-----------|-----------|-----------|
| World                    | 1,257,871 | 1,229,271 | 1,424,519 | 1,370,330 | 1,113,433 |
| Pakistan                 | 345,935   | 380,082   | 592,951   | 559,866   | 431,999   |
| Egypt                    | 174,330   | 176,768   | 168,573   | 171,888   | 167,666   |
| United Kingdom           | 121,067   | 130,008   | 142,430   | 136,862   | 113,837   |
| United Arab Emirates     | 117,716   | 94,501    | 99,491    | 106,723   | 54,217    |
| Yemen                    | 39,623    | 44,331    | 59,474    | 46,786    | 46,582    |
| Sudan                    | 49,339    | 41,968    | 48,410    | 43,671    | 34,973    |
| Afghanistan              | 147,585   | 103,602   | 29,668    | 35,171    | 33,980    |
| Russian Federation       | 60,121    | 46,408    | 47,396    | 48,610    | 31,753    |
| Kazakhstan               | 28,241    | 29,313    | 31,784    | 28,104    | 30,357    |
| Islamic Republic of Iran | 10,633    | 16,323    | 12,862    | 19,416    | 20,298    |
| Saudi Arabia             | 14,134    | 14,392    | 19,510    | 19,755    | 16,930    |
| Poland                   | 21,168    | 16,616    | 19,698    | 18,387    | 13,267    |
| Japan                    | 8,640     | 4,990     | 11,355    | 7,480     | 10,000    |
| Nigeria                  | 14,410    | 11,061    | 10,011    | 12,218    | 9,072     |
| Jordan                   | 6,015     | 6,071     | 11,900    | 10,974    | 8,672     |
| Netherlands              | 3,238     | 5,245     | 5,778     | 6,271     | 7,867     |
| Turkey                   | 5,491     | 10,697    | 13,533    | 12,706    | 7,468     |
| India                    | 10,226    | 8,098     | 9,466     | 5,211     | 6,368     |
| Indonesia                | 6,703     | 5,699     | 6,490     | 6,369     | 6,332     |
| Ireland                  | 10,391    | 10,190    | 9,578     | 8,462     | 6,161     |

Source: ITC calculations based on Kenya national bureau of statistics & UN COMTRADE statistics.

**Figure 3, Top 5 Importers of Kenyan Tea**



Source: ITC calculations based on UN COMTRADE and ITC statistics.

The need to diversify Kenya’s product offering is also notable in the category of tea exports, which is mostly **bulk black fermented tea at 98.7% of total exports**. Processed black tea (HS 090230) accounts for only **1.2% of total imports at USD 13.6M**, while green tea exports, whether bulk or processed are minuscule at **USD 397,000** according to 2019 data. See Table 6 below.

**Table 6, Kenya’s Exports of Tea, by category, in ‘000 USD**

| HS Code | Product label   | 2015      | 2016      | 2017      | 2018      | 2019      |
|---------|---|-----------|-----------|-----------|-----------|-----------|
| 090240  | Black fermented tea and partly fermented tea, whether or not flavoured, in immediate packings of > 3 kg | 1,236,436 | 1,209,169 | 1,405,345 | 1,355,834 | 1,099,456 |
| 090230  | Black fermented tea and partly fermented tea, whether or not flavoured, in immediate packings <= 3      | 16,950    | 17,021    | 18,168    | 13,697    | 13,581    |
| 090220  | Green tea in immediate packings of > 3 kg   | 4,481     | 2,728     | 973       | 789       | 396       |
| 090210  | Green tea in immediate packings of <= 3 kg  | 3         | 354       | 34        | 9         | 1         |

Source: ITC calculations based on Kenya national bureau of statistics & UN COMTRADE statistics.

## Kenya’s Exports in the Context of the EAC

Looking at **Kenya’s exports in the context of the EAC**, the region exported tea worth **USD 1.24 billion or 17% of total global exports**. The exports have been on a declining trend, with the 2019 figures being the lowest registered over the last 5 years. In line with its being the highest producer, Kenya had the highest share, at 90% of total EAC exports. Rwanda followed with USD 53M, followed by Tanzania at USD 33M. See *Table 7* below.

**Table 7, EAC's Tea Exports, in '000 USD**

| Exporters                                | 2015      | 2016      | 2017      | 2018      | 2019      |
|--|-----------|-----------|-----------|-----------|-----------|
| World                                    | 7,310,457 | 7,462,922 | 8,105,390 | 7,861,232 | 7,310,337 |
| East African Community (EAC) Aggregation | 1,396,611 | 1,377,790 | 1,665,654 | 1,623,227 | 1,239,313 |
| Kenya                                    | 1,257,871 | 1,229,271 | 1,424,519 | 1,370,330 | 1,113,433 |
| Rwanda                                   | 22,119    | 18,451    | 84,267    | 92,555    | 52,984    |
| Tanzania                                 | 46,300    | 44,433    | 48,691    | 45,427    | 33,176    |
| Burundi                                  | 4         | 14,147    | 28,464    | 26,084    | 22,035    |
| Uganda                                   | 70,317    | 71,488    | 79,713    | 88,831    | 17,685    |

Source: ITC calculations based on Kenya national bureau of statistics & UN COMTRADE statistics.

### Kenya's Tea Imports

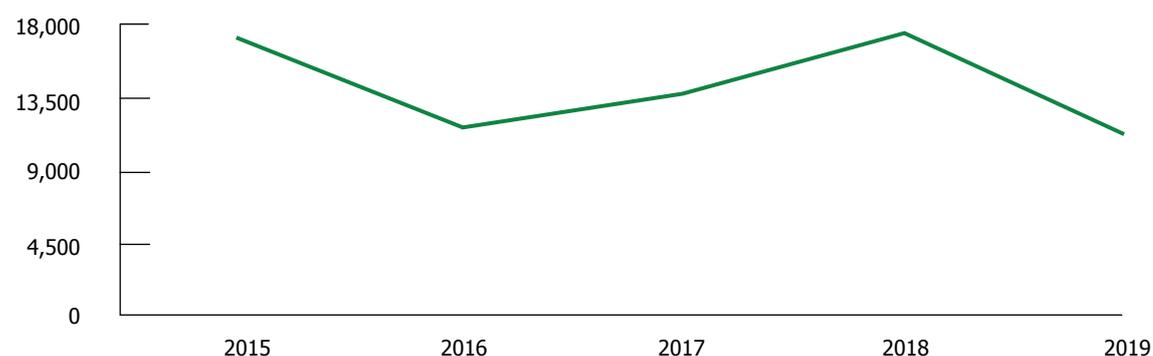
In line with a predominantly tea drinking culture, served by local production, the level of Kenya's imports of tea is low at **USD 11.4M, a 35% drop from 2018 figures of USD 17.5M**. The amount imported is also sporadic as seen in Figure 4 below. The key exporting markets for tea imported by Kenya were Uganda (USD 5.7M); Rwanda (USD 3.4M), India (USD 760,000), Tanzania (USD 606,000) and Burundi (USD 323,000). See *Table 8* below.

**Table 8, Kenya's Imports of Tea, in 000'USD**

| Exporters | 2015   | 2016   | 2017   | 2018   | 2019   |
|-----------|--------|--------|--------|--------|--------|
| World     | 17,217 | 11,730 | 13,737 | 17,551 | 11,408 |
| Uganda    | 6,813  | 4,799  | 7,550  | 10,344 | 5,722  |
| Rwanda    | 951    | 1,151  | 1,491  | 3,166  | 3,445  |
| India     | 5,383  | 3,289  | 2,346  | 1,027  | 760    |
| Tanzania  | 1,922  | 741    | 1,060  | 1,403  | 606    |
| Burundi   | 199    | 127    | 199    | 482    | 323    |
| Ethiopia  | 0      | 815    | 192    | 361    | 189    |
| Malawi    | 1,117  | 335    | 285    | 12     | 151    |

Source: ITC calculations, based on Kenya National Bureau of Statistics and UN COMTRADE statistics

**Figure 4, Kenya's Imports of Tea, in '000 USD, Trend**



Source: ITC calculations, based on Kenya National Bureau of Statistics and UN COMTRADE statistics

## Kenya's Imports in the Context of the EAC

The region is also not a major importer of tea, with imports worth USD 12.5M in 2019, a decrease from USD 19.5M. The bulk of the imports are by Kenya, with the rest of the EAC Partner States importing miniscule values with Tanzania at USD 410,000, Uganda at USD 395,000, Rwanda at USD 30,000 and Burundi et USD 28,000. Looking at Table 10, the region imports mostly of bulk black fermented tea at USD 11.5M.

**Table 9, EAC Imports of Tea, in '000 USD**

| Importers                                | 2015      | 2016      | 2017      | 2018      | 2019      |
|--|-----------|-----------|-----------|-----------|-----------|
| World                                    | 6,830,834 | 6,869,453 | 7,107,268 | 7,158,779 | 6,664,293 |
| East African Community (EAC) Aggregation | 19,959    | 13,551    | 15,910    | 19,473    | 12,555    |
| Kenya                                    | 17,923    | 12,004    | 14,188    | 18,026    | 11,692    |
| Tanzania                                 | 662       | 763       | 972       | 479       | 410       |
| Uganda                                   | 752       | 382       | 279       | 466       | 395       |
| Rwanda                                   | 451       | 385       | 451       | 484       | 30        |
| Burundi                                  | 171       | 17        | 20        | 18        | 28        |

Source: ITC calculations, UN COMTRADE statistics and National Bureaus of Statistics

**Table 10, Kenyan Imports of Tea, by Category, in '000 USD**

| HS Code | Product label  | 2015   | 2016   | 2017   | 2018   | 2019   |
|---------|--|--------|--------|--------|--------|--------|
| 090240  | Black fermented tea and partly fermented tea, whether or not flavoured, in immediate packings. . . | 17,618 | 12,400 | 14,653 | 18,022 | 11,499 |
| 090230  | Black fermented tea and partly fermented tea, whether or not flavoured, in immediate packings. . . | 923    | 355    | 419    | 833    | 745    |
| 090210  | Green tea in immediate packings of <= 3 kg   | 385    | 66     | 65     | 129    | 179    |
| 090220  | Green tea in immediate packings of > 3 kg  | 1,034  | 732    | 774    | 491    | 132    |

Source: ITC calculations, UN COMTRADE statistics and National Bureaus of Statistics

## Exploring opportunities in the European Union (EU) and the United Kingdom (UK)

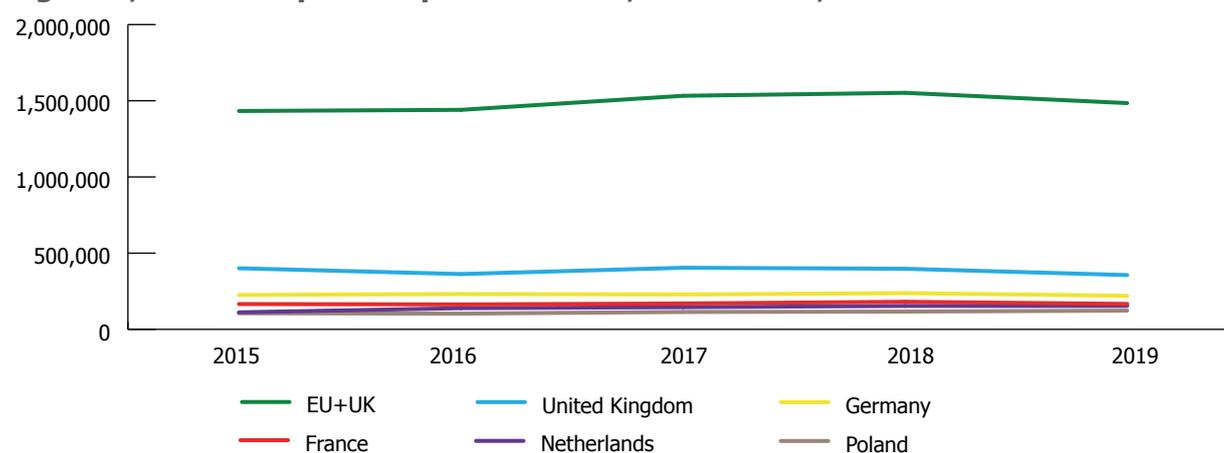
The EU is an important market for all tea producing countries, Kenya included. The EU and the UK combined (hereafter EU+UK) accounted for **USD 1.5 billion of all tea imports in 2019, representing 22.3% of the total global tea market**. Exports to the EU and UK have remained fairly steady over the last five years, with a slight increase in 2017 and 2018, as seen in Figure 5 below. In terms of specific countries, the main importing markets in 2019 were the UK (USD 356M), Germany (USD 220 USD), France (USD 167M), the Netherlands (USD 154M) and Poland (USD 123M), as illustrated in Table 11 below.

**Table 11, Europe's Imports of Tea, in '000 USD**

| Importers      | 2015      | 2016      | 2017      | 2018      | 2019      |
|----------------|-----------|-----------|-----------|-----------|-----------|
| World          | 6,830,834 | 6,869,453 | 7,107,268 | 7,158,779 | 6,664,293 |
| EU+UK          | 1,432,866 | 1,440,310 | 1,532,626 | 1,551,998 | 1,484,660 |
| United Kingdom | 400,951   | 362,871   | 404,315   | 397,676   | 356,150   |
| Germany        | 225,546   | 231,877   | 228,750   | 237,475   | 220,455   |
| France         | 166,035   | 163,420   | 169,748   | 180,940   | 166,887   |
| Netherlands    | 111,712   | 138,791   | 145,546   | 153,581   | 153,762   |
| Poland         | 105,513   | 103,187   | 114,033   | 116,556   | 122,812   |
| Italy          | 73,634    | 80,875    | 80,777    | 78,097    | 77,035    |
| Belgium        | 77,896    | 78,808    | 79,056    | 75,663    | 73,597    |
| Ireland        | 37,630    | 41,194    | 50,265    | 50,948    | 51,549    |
| Spain          | 28,829    | 33,298    | 37,997    | 41,471    | 41,695    |
| Sweden         | 34,003    | 37,948    | 38,315    | 39,085    | 35,457    |
| Denmark        | 20,734    | 25,489    | 31,212    | 29,782    | 33,720    |
| Austria        | 21,874    | 24,687    | 27,163    | 29,301    | 28,345    |
| Czech Republic | 23,682    | 26,448    | 25,478    | 24,380    | 27,687    |
| Finland        | 13,661    | 13,558    | 15,729    | 14,762    | 14,727    |
| Lithuania      | 23,616    | 12,960    | 15,567    | 13,306    | 12,909    |
| Hungary        | 8,319     | 8,146     | 9,158     | 9,097     | 10,268    |
| Latvia         | 11,973    | 11,128    | 10,003    | 9,024     | 9,667     |
| Greece         | 8,785     | 8,790     | 8,967     | 8,738     | 8,425     |
| Portugal       | 7,415     | 6,580     | 7,295     | 8,168     | 7,266     |
| Bulgaria       | 2,760     | 4,350     | 5,181     | 7,080     | 5,369     |
| Estonia        | 7,018     | 5,433     | 5,508     | 5,797     | 5,352     |
| Romania        | 4,547     | 4,823     | 5,272     | 5,135     | 5,264     |
| Slovakia       | 4,045     | 3,764     | 4,099     | 3,891     | 3,661     |
| Luxembourg     | 3,172     | 3,232     | 3,505     | 3,574     | 3,267     |
| Slovenia       | 1,669     | 1,502     | 1,823     | 1,997     | 2,710     |
| Cyprus         | 2,821     | 3,052     | 3,322     | 2,403     | 2,437     |
| Croatia        | 1,412     | 1,609     | 1,813     | 1,831     | 2,218     |
| Malta          | 3,614     | 2,490     | 2,729     | 2,240     | 1,969     |

Source: ITC calculations, UN COMTRADE statistics

**Figure 5, Main European Importers of Tea, in '000 USD, Trends**



Source: ITC calculations, based on UN COMTRADE statistics

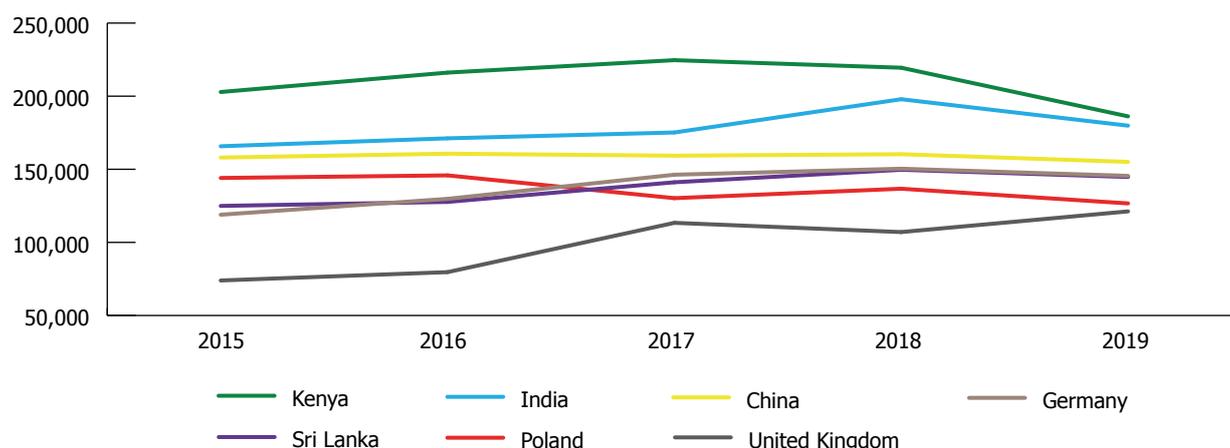
Kenya is the leading exporter to the EU, followed by India with USD 179M, China with USD 155M, Germany with USD 145M and Sri Lanka with 144.7M. In 2019, **Kenyan tea exported to the EU+UK was worth USD 186.2M**, about 16.7% of its total exports. See *Table 12* below. Looking at the trend over the last 5 years, Kenya has maintained its lead as a top supplier to the European market, although the overall value imported tea has been declining since 2017. See *Figure 6* below. It is worth noting from the list of supplying markets to the EU that a number of European countries that import tea also re-export tea to the rest of the EU, indicating that they are entry points to the wider EU market. Germany, Poland and UK are leading in this.

**Table 12, Top 20 Supplying Markets for Tea Products Imported by EU+UK, in '000 USD**

| Exporters                | 2015    | 2016    | 2017    | 2018    | 2019    |
|--------------------------|---------|---------|---------|---------|---------|
| Kenya                    | 202,850 | 216,114 | 224,623 | 219,451 | 186,196 |
| India                    | 165,745 | 171,167 | 175,161 | 197,907 | 179,831 |
| China                    | 158,016 | 160,671 | 159,299 | 160,316 | 155,067 |
| Germany                  | 118,928 | 129,776 | 146,279 | 150,383 | 145,492 |
| Sri Lanka                | 124,936 | 127,675 | 141,106 | 149,656 | 144,747 |
| Poland                   | 144,061 | 145,823 | 130,238 | 136,695 | 126,655 |
| United Kingdom           | 73,945  | 79,647  | 113,369 | 107,050 | 121,199 |
| Netherlands              | 47,961  | 49,878  | 56,580  | 45,578  | 51,536  |
| Belgium                  | 55,656  | 55,483  | 53,153  | 50,247  | 44,946  |
| Malawi                   | 28,740  | 26,390  | 43,820  | 45,119  | 40,940  |
| France                   | 21,481  | 24,112  | 26,693  | 27,024  | 28,262  |
| Japan                    | 18,895  | 26,486  | 23,749  | 26,687  | 27,312  |
| Switzerland              | 21,454  | 21,865  | 25,943  | 26,386  | 27,278  |
| Indonesia                | 23,882  | 21,123  | 22,423  | 19,787  | 16,671  |
| United Arab Emirates     | 15,035  | 11,066  | 12,810  | 10,900  | 13,147  |
| United States of America | 11,564  | 10,181  | 9,867   | 12,699  | 12,636  |
| Argentina                | 10,521  | 12,966  | 10,105  | 11,612  | 12,370  |
| Rwanda                   | 9,575   | 8,920   | 9,752   | 6,998   | 11,404  |
| Russian Federation       | 7,244   | 5,433   | 6,060   | 6,482   | 11,254  |
| Spain                    | 7,016   | 7,847   | 10,760  | 10,129  | 10,910  |

Source: ITC calculations, UN COMTRADE statistics

**Figure 6, EU's Top Supplying Markets, in '000 USD**



Source: ITC calculations, UN COMTRADE statistics

Going by 2019 data, the bulk of Kenya's unprocessed bulk tea constituted 98.9% of her exports to the EU+UK, pointing to a largely unexploited potential in the European market. For bulk black tea, the EU+UK imports USD 596M, against Kenya's exports worth USD 184M. The real potential however lies in the other categories of tea – for bulk green tea, the EU+UK imports USD 147M worth of tea, while Kenya exports only USD 1.2 million. For processed black tea, the EU+UK imports USD 500M worth of tea, while Kenya supplied only USD 784,000. For black processed tea, Kenya supplied the EU+UK with only USD 57,000, against a potential of USD 240M imported by the EU+UK. Kenyan SMEs however have to compete in the EU market with other European exporters.

**Table 13, Existing and Potential Trade with the EU, in '000 USD**

| Product label   | EU+UK's imports from Kenya  |         |         | Kenya's exports to world    |           |           | EU+UK's imports from world  |         |         |
|---|-----------------------------|---------|---------|-----------------------------|-----------|-----------|-----------------------------|---------|---------|
|   | Value in US Dollar thousand |         |         | Value in US Dollar thousand |           |           | Value in US Dollar thousand |         |         |
|   | 2017                        | 2018    | 2019    | 2017                        | 2018      | 2019      | 2017                        | 2018    | 2019    |
| 090240 - Black fermented tea and partly fermented tea, whether or not flavoured, in immediate packings. . . | 221,540                     | 215,841 | 184,081 | 1,405,345                   | 1,355,834 | 1,099,456 | 640,239                     | 646,452 | 596,196 |
| 090220 - Green tea in immediate packings of > 3 kg  | 2,261                       | 2,109   | 1,276   | 973                         | 789       | 396       | 146,997                     | 149,251 | 147,609 |
| 090230 - Black fermented tea and partly fermented tea, whether or not flavoured, in immediate packings. . . | 138                         | 907     | 784     | 18,168                      | 13,697    | 13,581    | 506,165                     | 509,184 | 499,725 |
| 090210 - Green tea in immediate packings of <= 3 kg   | 683                         | 595     | 57      | 34                          | 9         | 1         | 238,455                     | 246,203 | 239,635 |

Source: ITC calculations, UN COMTRADE statistics

## Understanding the trading regime between the EU and Kenya

The EAC and the EU agreed and initialed an **Economic Partnership Agreement (EPA) on 16 October 2014**. The conclusion allowed the restoration of duty free, quota free access to the EU market for Kenyan products, which had ended on 1 October 2014, when the EU Regulation 527/2013 on Market Access expired. **Only Kenya, which does not enjoy the 'Everything But Arms' (EBA) preferential arrangement** was affected by this expiry. The EPA was expected to be signed by the EAC as a bloc by 30th September 2016, but due to differing opinions amongst partner states on the potential impact of the Agreement on EAC economies, it has not been signed and is therefore not yet in force.

To ensure continued access to the EU market, Kenya in its individual capacity signed the EPA on 1st September 2016 and had it ratified by the Parliament of Kenya on September 20, 2016. **This ratification allowed Kenya to continue to benefit from EC Market Access Regulation No 1528/2007** which governed the EU preferential market access regime for African, Caribbean and Pacific (ACP) countries that have negotiated EPAs with the EU. As of 28 July 2016, Regulation (EC) No 1528/2007 was repealed and replaced by **Regulation (EU) 2016/1076 of the European Parliament and of the Council of 8 June 2016**.

Under the EPA / Regulation (EU) 2016/1076 arrangements, **Kenyan tea enters the EU on the following conditions:**

- **'Duty free, quota free (DFQF)' basis:** meaning there are no duties paid, nor are there any quotas imposed.
- **Taxes:** under the MAR no. 1528/2007, no taxes are payable on tea exported from Kenya to the EU
- The tea being exported needs to be accompanied by **Proof of Origin – through a certificate of origin issued by the Kenya Revenue Authority.**
- **For goods whose total value of the products does not exceed € 6,000,** a declaration on proof of origin can be given by an approved exporter or by any exporter. The proof of origin is valid for ten months.
- **Exemption from proof of origin:** When the total value of the imported products does not exceed €500 in the case of small packages or €1,200 in the case of products forming part of personal luggage.

**Note:** The 27 Members of the EU form a single territory for customs purposes. The United Kingdom withdrew from the EU and is a third country since 1 February 2020.

## Exploring opportunities under the African Continental Free Trade Area (AfCFTA)

Africa is an important market for tea. In 2019, Africa imported approximately **14.1% of all total global tea exports, worth USD 938 M**. Except for a minor drop in 2018, the figure has been on a steady increase during the last five years. The leading importers are **Egypt with 29.5% of total imports by Africa**, worth USD 276M, followed closely by Morocco at 24.7% of total African imports, worth USD 231M. Ghana, follows with USD 77M, or 8.2% of total imports by Africa. Worth noting however is that the 2019 figure is a **VERY sharp rise (of 1793%)** from amount imported in 2018 as well as previous years. ITC has noted that this figure is '*mirror data*', meaning it is awaiting confirmation from Ghana authorities. The other top markets are Algeria (5.4% of total imports, worth USD 51M) and South Africa (at 4.3% of total imports, worth USD 40M). See table below.

**Table 14, Imports of Tea by Africa, in `000 USD**

| Importers          | 2015      | 2016      | 2017      | 2018      | 2019      |
|--------------------|-----------|-----------|-----------|-----------|-----------|
| World              | 6,830,834 | 6,869,453 | 7,107,268 | 7,158,779 | 6,664,293 |
| Africa Aggregation | 810,477   | 895,393   | 928,016   | 925,966   | 937,708   |
| Egypt              | 288,239   | 305,867   | 273,814   | 318,882   | 276,492   |
| Morocco            | 197,065   | 199,122   | 220,663   | 220,287   | 231,999   |
| Ghana              | -         | 3,384     | 3,697     | 4,071     | 77,054    |
| Algeria            | 33,003    | 35,136    | 33,881    | 51,850    | 51,247    |
| South Africa       | 48,076    | 50,860    | 52,943    | 44,769    | 40,249    |
| Sudan              | 50,201    | 55,309    | 57,870    | 50,892    | 35,446    |
| Gambia             | 2,060     | 1,839     | 1,809     | 1,975     | 24,278    |
| Mauritania         | 15,180    | 19,670    | 18,687    | 18,876    | 20,586    |
| Mali               | -         | 25,193    | 33,513    | 30,567    | 18,589    |
| Libya, State of    | 51,807    | 57,061    | 74,783    | 24,722    | 18,082    |
| Nigeria            | 22,889    | 45,007    | 33,626    | 19,166    | 18,054    |
| Niger              | 6,844     | 8,010     | 9,280     | 10,638    | 15,718    |
| Cameroon           | 1,152     | 1,313     | 1,167     | 9,003     | 12,686    |
| Kenya              | 17,923    | 12,004    | 14,188    | 18,026    | 11,692    |
| Guinea             | 2,971     | 3,892     | 12,622    | 12,371    | 10,091    |
| Côte d'Ivoire      | 5,122     | 5,707     | 6,367     | 7,846     | 8,999     |
| Tunisia            | 8,661     | 7,405     | 14,438    | 9,919     | 8,616     |
| Botswana           | 6,463     | 6,088     | 6,728     | 6,623     | 7,975     |
| Senegal            | 8,755     | 7,917     | 7,578     | 11,014    | 6,513     |
| Somalia            | 4,706     | 4,485     | 4,229     | 9,111     | 5,792     |

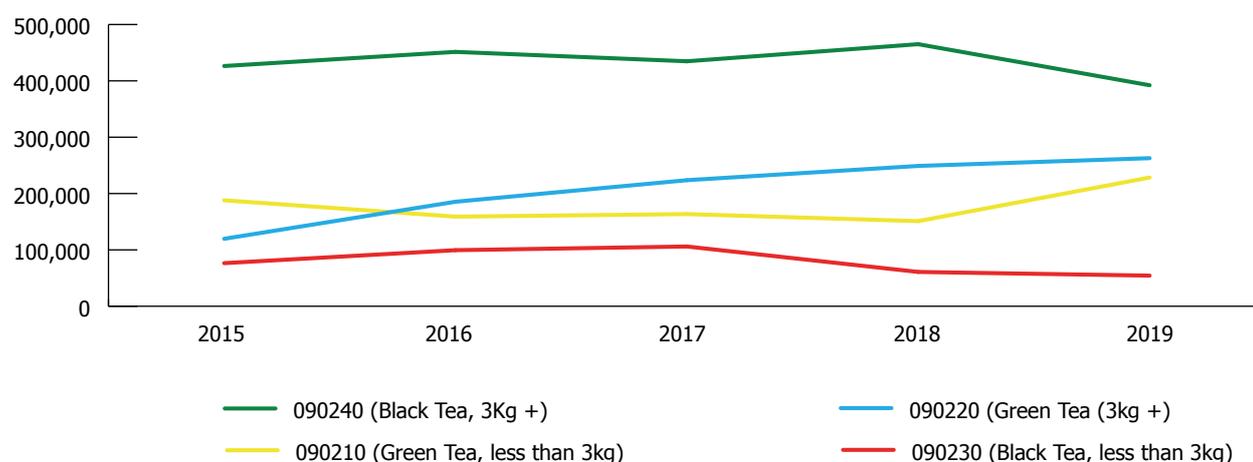
Source: ITC calculations, UN COMTRADE statistics

Looking at the categories of tea that Africa imports, unlike its exports which are mainly HS 090240 (black fermented tea or partly fermented tea, whether or not flavoured of > 3 kg), **Africa's imports are much more balanced, with significant imports of green tea.**

As illustrated in *Figure 7* below, and going by 2019 data, **41% of imports are HS 090240 at USD 392M, followed by HS 090220 at 28% worth USD 262M, HS 090210 at 24% worth USD 228 million and HS 090230 at 5.8% worth USD 54M. Combined, green tea accounts for 52.3% of all imports.** In terms of trends, imports of green tea (HS 090220) have seen a steady increase during the period under review, as illustrated in *Figure 7* below.

In terms of supplying markets, **China is the leading supplier to Africa, at USD 481M in 2019. Kenya follows with USD 296M. The two countries account for 82.8% of all tea imports into Africa.** Other key supplying markets are India (USD 32.4M), South Africa (24.7M) and Sri Lanka (USD 20.8M). See *Table 15* below.

**Figure 7, Africa's Tea Imports, by product, in '000 USD**



Source: ITC calculations, UN COMTRADE statistics

**Table 15, List of Supplying Markets for Africa's Imports of Tea, in '000 USD**

| Exporters            | 2015    | 2016    | 2017    | 2018    | 2019    |
|----------------------|---------|---------|---------|---------|---------|
| China                | 358,151 | 321,147 | 362,918 | 385,174 | 480,553 |
| Kenya                | 320,176 | 345,287 | 306,709 | 336,668 | 295,969 |
| India                | 22,780  | 21,728  | 42,939  | 45,329  | 32,449  |
| South Africa         | 23,340  | 21,968  | 26,070  | 26,976  | 24,736  |
| Sri Lanka            | 66,602  | 79,861  | 81,825  | 27,940  | 20,757  |
| Malawi               | 24,138  | 28,182  | 27,449  | 21,697  | 20,118  |
| United Arab Emirates | 16,128  | 12,619  | 11,892  | 13,705  | 10,338  |
| Zimbabwe             | 7,659   | 6,815   | 6,990   | 8,316   | 7,665   |
| Tanzania             | 5,925   | 5,339   | 8,446   | 8,123   | 7,130   |
| Uganda               | 10,367  | 10,087  | 11,094  | 14,488  | 6,234   |
| Rwanda               | 2,970   | 2,682   | 2,903   | 7,221   | 3,897   |
| France               | 2,080   | 2,452   | 3,060   | 3,508   | 3,562   |
| Saudi Arabia         | 2,272   | 3,076   | 2,894   | 3,994   | 3,248   |
| Poland               | 1,547   | 1,516   | 1,296   | 1,318   | 2,370   |
| Egypt                | 2,019   | 2,130   | 1,329   | 970     | 1,949   |
| Viet Nam             | 1,505   | 2,259   | 2,518   | 2,209   | 1,945   |
| United Kingdom       | 2,764   | 13,694  | 11,471  | 1,226   | 1,567   |
| Portugal             | 1,191   | 1,446   | 2,172   | 2,132   | 1,331   |
| Jordan               | 97      | 13      | 66      | 27      | 1,200   |
| Senegal              | 1,771   | 85      | 72      | 2,414   | 936     |

Source: ITC calculations, UN COMTRADE statistics

Looking at the trend, as well as the existing potential for trade between Kenya and Africa, (see Table 16 below), opportunities exist especially for processed tea, but also for unprocessed / bulk tea. The most significant potential is in green tea (HS 090220 - Green tea in immediate packings of > 3 kg), where Kenya exports USD 632,000, against Africa's imports of USD 262M. Similarly, for processed green tea (HS 090210 - Green tea in immediate packings of <= 3 kg), Kenya exports a mere USD 12,000, against Africa's imports worth USD 228M.

**Table 16, Existing & Potential Trade between Africa and Kenya, in '000 USD**

| Product label   | Africa's imports from Kenya |         |         | Kenya's exports to world    |           |           | Africa's imports from world |         |         |
|---|-----------------------------|---------|---------|-----------------------------|-----------|-----------|-----------------------------|---------|---------|
|   | Value in US Dollar thousand |         |         | Value in US Dollar thousand |           |           | Value in US Dollar thousand |         |         |
|   | 2017                        | 2018    | 2019    | 2017                        | 2018      | 2019      | 2017                        | 2018    | 2019    |
| 090240 - Black fermented tea and partly fermented tea, whether or not flavoured, in immediate packings. . . | 303,257                     | 332,362 | 291,171 | 1,405,345                   | 1,355,834 | 1,099,456 | 434,749                     | 465,070 | 392,203 |
| 090230 - Black fermented tea and partly fermented tea, whether or not flavoured, in immediate packings. . . | 2,538                       | 3,476   | 4,159   | 18,168                      | 13,697    | 13,581    | 106,011                     | 60,845  | 54,312  |
| 090220 - Green tea in immediate packings of > 3 kg  | 636                         | 743     | 632     | 973                         | 789       | 396       | 223,704                     | 248,994 | 262,772 |
| 090210 - Green tea in immediate packings of <= 3 kg   | 276                         | 90      | 12      | 34                          | 9         | 1         | 163,547                     | 151,055 | 228,415 |

Source: ITC calculations based on Kenya national bureau of statistics & UNCOMTRADE Statistics.

## Understanding the trading regime under the AfCFTA

The Agreement to establish the AfCFTA was signed by 44 Heads of State and Government of the 55 AU member states on 21 March 2018. **The AfCFTA entered into force on 30 May 2019 with 24 countries** having deposited their instruments of ratification, thereby fulfilling the Art. 2 of the AfCFTA Agreement that required 22 ratifications and deposits. **As at July 2020, 30 countries have both signed and ratified the AfCFTA Agreement. Of the 55 AU member states, only Eritrea has yet to sign.**

AfCFTA Agreement provides the framework for detailed negotiations on Trade in Goods, Trade in Services (5 priority sectors identified), and Phase II on other issues like Competition Policy, IPR and Investment. **The AfCFTA aims to doubling intra-African trade, which currently stands at 18% of total exports against 59% in Asia and 69% in Europe. It will cut tariffs on tariffs on 90% of goods traded within the continent as well as increase trade in more in value added products.** Once operational, the AfCFTA will bring together the economies of **55 African states under a pan-African free trade area comprising 1.2 billion people, in a market with a combined GDP of about \$2.5 trillion to \$6.4 trillion** (UNECA, WB).

Trading under the AfCFTA Agreement was **due to commence on 1 July 2020**, but due to the COVID-19 global pandemic, this date is being postponed and a new date is yet to be confirmed by the African Union Commission (AUC). More importantly, **negotiations on the tariff concessions as well as the rules of origin, two critical aspects of any trade in goods, are yet to be completed.**

For the coffee sector, not only is this a large market, the future also looks promising given the that by **2050 Africa's population is projected to reach 2 billion, with a predominantly young population and a rising middle class**, factors that auger well for the industry. This expanded market provides the needed economies of scale to support value addition with the target being the African market.

## Where to find additional / updated information

This Chapter has provided the Kenyan tea sector SME with an overview the export market for Kenyan tea, its size, the main buyers and the unexploited potential especially in Europe and Africa. Information on the latest developments in each of these markets can be found as follows:

- For data on tea production by all producing countries, the **International Tea Committee**, which was established in 1933, provides statistical information. The data is however available for a fee for non-members. <https://inttea.com/>
- For trade data to any market of interest as well as applicable tariffs and rules of origin, **ITC Trade tools** provide the most comprehensive data. Register on <https://www.trademap.org> to access TradeMap, Market Assess Map and other market tools.
- For developments on the AfCFTA, the African Union continually updates stakeholders. See [www.au.int](http://www.au.int)
- For Kenya specific data on production, exporting etc., the following provide valuable information:
  - AFA Tea Directorate <https://tea.agricultureauthority.go.ke/>
  - East African Tea Traders Organisation - <https://eatta.com/>



## Chapter 2: Meeting EU Importing Market Requirements<sup>11</sup>

### Overview and Objectives of Chapter 2:

This Chapter provides an overview of the requirements for tea destined for the EU market. It thus elaborates the mandatory and voluntary quality, health and safety, labelling and packaging related requirements as well as various market preferences and trends that existing and aspiring coffee exporters to the EU should be aware of.

The **key objectives** of this Chapter are:

- To provide the Kenyan tea SME with a consolidated and simplified reference to the mandatory requirements for exporting coffee to the EU
- To provide the Kenyan tea SME with an overview of EU coffee market preferences and trends that the SME may tap into
- To provide Kenya's TSIs with a reference point for the requirement SMEs must fulfill in order to tap into the EU Market; and,
- To point the Kenyan tea SMEs and TSIs to sources of credible information on requirements and market preferences for coffee exported to the EU

Every importing market has in place mandatory (set in law) and voluntary requirements that all products wishing to enter and be sold in that market must meet. These requirements serve many purposes: some of them are meant to protect the health and safety of the consumers in a given market, while others serve to ensure that they have all the necessary information about the products they are consuming, in a language they can understand. In addition, there may be other requirements that products that wish to target specific market segments (usually called niche markets) must meet. These may be organic, fair-traded etc.

In the section that follows, we shall look at the key requirements for exports of tea destined for the European Union.

### Sanitary and Phytosanitary requirements for Tea

Among the mandatory requirements are those meant to ensure that consumers in any importing market are being supplied with tea that is safe to consume, by the measures deemed appropriate by their governments; as well as to ensure that these measures are not such that they became a barrier / hindrance to businesses wishing to export to these markets, the world relies on the World Trade Organisation (WTO) 'Agreement on the Application of Sanitary and Phytosanitary Measures – (SPS Agreement)'. The Agreement sets out the basic rules for sanitary (human and animal health) and phytosanitary (plant health) measures and standards. It is important to note that these measures are not only targeted at imported products, but they also apply to domestically produced food or local animal and plant products.

The SPS Agreement allows countries to set their own SPS measures – meaning that countries may use different standards and different methods of inspecting products for them. Notably, these measures can take many forms, such as requiring products to come from a disease-free area, inspection of products, specific treatment or processing of products, setting of allowable maximum levels of pesticide residues or permitted use of only certain additives in food. Furthermore, given the differences in climate, existing pests or diseases, or food safety conditions, there will be different SPS requirements for products coming from different countries – rather, SPS measures that apply to tea from Kenya may sometimes vary from those that apply to tea from Brazil or Colombia, given the different climatic, pest, disease occurrences in these countries.

11 The bulk of this information is obtained from the EAC Quality Compass (<https://un-consulting.ch/eac/compass>); the EU Export Help Desk (<https://trade.ec.europa.eu/tradehelp/myexport/#?product=090200000&partner=KE&reporter=DE&tab=3;>)

Given the possibility to use the agreement to favour or protect domestic producers or to protect against imports from some countries, the SPS Agreement provides checks for unjustified discrimination by requiring that these standards must be based on science; should be applied only to the extent necessary to protect human, animal or plant life or health and they should not arbitrarily or unjustifiably discriminate between countries where identical or similar conditions prevail.<sup>12</sup> Furthermore, member countries are encouraged to use international standards, guidelines and recommendations where they exist. However, members may use measures which result in higher standards if there is scientific justification. They can also set higher standards based on appropriate assessment of risks so long as the approach is consistent, not arbitrary. Sanitary (human and animal health) and phytosanitary (plant health) measures apply to domestically produced food or local animal and plant diseases, as well as to products coming from other countries.

The section that follows elaborates the **SPS requirements for tea entering the EU market**.

## Food Safety

Agricultural products such as tea are susceptible to biological, chemical and physical hazards known as contaminants, which may include pesticide residues, heavy metals, microbiological pathogens, naturally occurring toxic substances such as mycotoxins, among others. These substances often result from environmental exposure during production, post-harvest handling, manufacturing, processing, packaging, transport or storage. To protect consumers, the EU has two overarching laws, and others specific to types of contaminants, as follows:

For all applicable exports, the **EU General Food Law - Regulation (EC) No 178/2002** provides the foundational rules on the safety of food and feed in the EU and establishes the European Food Safety Authority (EFSA), which provides support for the testing and evaluation of food and feed. The Food Law provides that a) food shall not be placed on the market if it is unsafe and b) food shall be deemed to be unsafe if it is considered to be either injurious to health or unfit for human consumption.

**Regulation (EC) No 852/2004 on the hygiene of foodstuffs** sets out applicable hygiene requirements on imported food. This legislation, based on Hazard Analysis Critical Control Point (HACCP) methodology, is legally binding for food processors, and is recommended for those involved in primary production (farmers). Processors must have in place a food safety management system based on HACCP principles, to ensure that food remains safe through all stages of production, all the way to the end consumer.

For specific types of contaminants, the following apply:

- **Maximum Residue Limits (MRLs):** This is the highest level of a pesticide residue legally tolerated in or on food or feed when pesticides are applied correctly. This limit provides reasonable assurance that no negative effects on consumer health will result over a lifetime of dietary exposure. Within the EU, regulations regarding MRLs for different pesticides are contained in **Regulation (EC) No 396/2005. For tea entering the EU, over 480 potential substances are subject to MRLs. The part of the product to which the MRLs apply is "Dried leaves, stalks and flowers, whether fermented or otherwise treated"**. A comprehensive list of these substances and their limits is available on <https://ec.europa.eu/food/plant/pesticides/eu-pesticides>. (The reference number for **tea is 0610000**). Any pesticide not listed on the site should NOT be used as it has not been approved by EU authorities. Such pesticides (that have not been approved) have a default value set at the 'limit of detection', which is 0.01 mg/kg. Tea leaves that exceed the MRL or have banned substances are not allowed on the European market, which may result in costly withdrawals from the market. Important to note is that some buyers and retailers have set MRLs that are stricter than those of EU regulations. It is therefore important to check with buyers to ensure that their requirements are met.

<sup>12</sup> [https://www.wto.org/english/tratop\\_e/sps\\_e/spsund\\_e.htm](https://www.wto.org/english/tratop_e/sps_e/spsund_e.htm)

- Microbiological Contaminants:** Commission Regulation (EC) No. 2073/2005 establishes the microbiological criteria for food products. Although there is no microbiological criteria specifically governing tea, the EU General Food Law states that all food products entering the EU market must be deemed safe. The presence of microbiological contaminants in **tea such as listeria, salmonella or e-coli at any level renders the food unsafe**. Tea is considered a low-risk commodity with regard to microbiological contaminants, as it is often a low moisture ambient-stable foodstuff and is therefore microbiologically stable under normal storage conditions (maximum 25° C, 65% relative humidity, light protected). Although there is no harmonized regulation on microbiological contamination in tea within EU food safety regulations, the Tea & Herbal Infusions Europe (THIE) has developed recommended microbiological guidelines<sup>13</sup> for tea. The guidelines **relate to Tea (Camellia sinensis) and NOT Pu-Erh Tea, which has a different manufacturing process**. The Guidelines are as follows:

**Table 17, Microbiological Limits & Methods of Analysis for Tea**

| Microbiological substance | Limits          | Method  |
|---------------------------|-----------------|---|
| Aerobic Plate Count       | ≤ 107 /g        | Aerobic Plate Count Microbiology of the food chain – Horizontal method for the enumeration of microorganisms – Part 1: Colony count at 30 degrees C by the pour plate technique (ISO 4833-1:2013); Microbiology of the food chain – Horizontal method for the enumeration of microorganisms – Part 2: Colony count at 30 degrees C by the surface plating technique (ISO 4833-2:2013 and ISO 4833-2:2013/Cor 1:2014); European Reference Method according to Regulation (EC) No 1441/2007   |
| Yeasts ≤ 104 /g           | ≤ 104 /g        | Yeasts and Moulds Microbiology of food and animal feeding stuffs – Horizontal method for the enumeration of yeasts and moulds – Part 2: Colony count technique in products with water activity less than or equal to 0.95 (ISO 21527-2:2008)  |
| Moulds ≤ 105 /g           | ≤ 105 /g        |   |
| E. coli ≤ 102 /g          | ≤ 102 /g        | E. coli Microbiology of the food chain – Horizontal method for the enumeration of beta-glucuronidase-positive Escherichia coli – Part 1: Colony-count technique at 44 degrees C using membranes and 5-bromo-4-chloro-3-indolyl beta-D-glucuronide (ISO 16649-1:2018) or Microbiology of food and animal feeding stuffs – Horizontal method for the enumeration of beta-glucuronidase-positive Escherichia coli – Part 2: Colony count technique at 44 degrees C using 5-bromo-4-chloro-3-indolyl beta-D-glucuronide (ISO 16649-2:2001); European Reference Method according to Regulation (EC) No 1441/2007 |
| Salmonella                | absent in 125 g | Salmonella Microbiology of the food chain – Horizontal method for the detection, enumeration and serotyping of Salmonella – Part 1: Detection of Salmonella spp. (ISO 6579-1:2017); European Reference Method according to Regulation (EC) No 1441/2007   |
| Sampling                  |                 | <ul style="list-style-type: none"> <li>5 random samples of 50 g are to be collected from the shipment.</li> <li>The 5 samples will be mixed to a composite sample.</li> <li>The composite sample is the basis for all laboratory investigations, including salmonella.</li> </ul> Other methods can be used if they are checked against a reference method (official method and suitability tested (recovery of reference microorganisms))  |

Source: THIE

- Heavy metals:** Limits on heavy metal contaminants are set within **Commission Regulation (EC) 1881/2006** on setting maximum levels for certain contaminants in foodstuff, usually measured in milligrams per kilogram of weight (mg/kg) or parts per million (ppm). Based on this regulation, there are no limits set specifically for tea. It should be noted that the EU Food law mandates that all food products entering the EU market must be deemed safe and the presence of metal contaminants such as tin, lead, cadmium, arsenic and mercury at excessive levels renders food unsafe.

<sup>13</sup> [https://www.thie-online.eu/fileadmin/inhalte/Publications/Tea/2018-06-13\\_Recommended\\_Microbiological\\_Guideline\\_for\\_Tea.pdf](https://www.thie-online.eu/fileadmin/inhalte/Publications/Tea/2018-06-13_Recommended_Microbiological_Guideline_for_Tea.pdf)

- **Mycotoxins:** This is a naturally occurring toxic substance for which limits exist as set in **Commission Regulation (EC) 1881/2006 on setting maximum levels for certain contaminants in foodstuffs**. Based on this regulation, **there are currently no established limits specifically for tea**. Mycotoxin contamination can however occur in tea – for example, fungal contamination can occur at any stage of tea production and can transfer from the leaves to a tea beverage, which is harmful to human health.
- **Pyrrolizidine alkaloids:** Another naturally occurring plant toxin, can potentially cause adverse health effects. Although it is NOT currently regulated, European food safety experts **have now warned that exposure to pyrrolizidine alkaloids in food, in particular for frequent and high consumers of tea and herbal infusions, is a possible long-term concern for human health due to their potential carcinogenicity**. Experts have identified 17 PA's in food and feed that will continue to be monitored and regulations may be put in place in the future. THIE has developed a "Code of Practice to Prevent and Reduce Pyrrolizidine Alkaloid Contamination in Raw Materials for Tea and Herbal Infusions, which can be found here: [https://www.thie-online.eu/fileadmin/inhalte/Publications/THFI/2018-07-12\\_THIE\\_Code\\_of\\_Practice\\_PA\\_in\\_TEA-HFI\\_ISSUE\\_1.pdf](https://www.thie-online.eu/fileadmin/inhalte/Publications/THFI/2018-07-12_THIE_Code_of_Practice_PA_in_TEA-HFI_ISSUE_1.pdf)
- **Polycyclic aromatic hydrocarbons (PAHs):** These are chemicals that can contaminate food products during processing stages due to poor drying or refining practices that rely on the burning of fossil fuels, coal or garbage resulting in contaminated smoke becoming mixed in with the product. **Limits on PAHs in foodstuffs are set out in Regulation (EC) 1881/2006**. Although there are currently no limits set for tea within this regulation as the PAH content of tea has been consistently below the limit of detection, there are **certain types of tea, such as Lapsang Souchong, which are 'smoked' during processing to add a distinct flavour. Smoked teas would have a higher risk of presence of PAHs, so one should take caution if producing teas using any type of smoking process.**
- **Extraction Solvents:** When used in the production of tea products, for example, traces of the substance may be left in the product during the decaffeination process, and high levels could potentially harm human health. Thus, in the EU market, limits on these extraction solvents are set within **Directive 2009/32/EC of the European Parliament**. If used during the production of tea, the residues left behind in the tea must not exceed those stated within the Directive, which are stated below:

**Table 18, Limits on Extraction Solvents for Tea**

| Name              | Conditions of use (summary of description of extraction)           | MRLs limits in the extracted food-stuff or food ingredient |
|-------------------|--|--|
| Methyl acetate    | Decaffeination of, or removal of irritants and bitterings from tea | 20 mg/kg* in the tea                                       |
| Ethylmethylketone | Decaffeination of, or removal of irritants and bitterings from tea | 20 mg/kg in the tea  |
| Dichloromethane   | Decaffeination of, or removal of irritants and bitterings from tea | 5 mg/kg in the tea   |

\*mg/kg - milligrams per kilogram or parts per million (ppm)

- **Food Additives:** Regulation (EC) No 1333/2008 contains a list of food additives permitted for use in the European Union at certain levels and on certain foods. According to EU Law, food additives shall not be used in unprocessed food or food for young children. The European Commission has created a Food Additives Database that provides detailed information on which additives can be used in different food categories, found on the following link: [https://ec.europa.eu/food/safety/food\\_improvement\\_agents/additives\\_en](https://ec.europa.eu/food/safety/food_improvement_agents/additives_en)
- **Allergens:** Although not a major concern for tea products, when used in products like blended tea, for example those mixed with herbs or spices, then there may be a higher risk of allergens. While companies should manage the risk through allergen management in manufacturing and supply chain, if there is

a concern that traces of such allergens may be present in the final products, then **precautionary labelling should be used to offer the consumer the best information available**. If potentially allergenic substances are **added intentionally as an ingredient, they need to be clearly labelled as such according to EU Regulation 1169/2011**.

To avoid the above types of food safety issues in tea products, SMEs must put in place policies and controls to prevent contamination in the first place. Good Agricultural Practices (GAP), Good Hygiene Practices (GHP) and Good Manufacturing Practices (GMP) must be adopted to minimize and mitigate related risks.

## Plant Health

Plant-based food product consignments can introduce pests, weeds or diseases that could harm humans, plants, or animals in the importing country. Phytosanitary or plant health requirements are thus put in place to prevent the introduction and spread of harmful organisms, which can be introduced not only by the product itself, but also through any wood packaging that may accompany it. Therefore, all consignments must be verified free of bacteria, viruses, pests and diseases that can harm animals or plants in the country. The occurrence of pests can be minimized through using appropriate planting material, good growing practices, good sanitation practices, appropriate use of approved pesticides, and good practices in storage and transport.

An authorised official in the country of origin must issue the **phytosanitary certificate** guaranteeing that consignments are free from pests, weeds and disease, and that they meet the phytosanitary requirements of the EU market. In Kenya, the **Kenya Plant Health Inspectorate Service (KEPHIS)** is responsible for issuing phytosanitary certificates. If a phytosanitary certificate does not accompany a consignment, or if pests, weeds or diseases are detected during quarantine inspection, the consignment may be returned, destroyed or in some cases undergo treatment that renders it fit for release.

Depending on geographic location and environmental conditions, tea may be attacked **by more than 1000 species of pests, including thrips, mites, nematodes, scales, cutworms, aphids, weevils and mosquito bug. Tea is also susceptible to certain plant diseases such as root rot and blight.**

On 14 December 2019, new EU Plant Health Rules that seek to improve the protection of the EU territory and its plants came into force. According to **EU Regulation (EU) 2016/2031**, all plants (including living parts of plants) entering the EU must be accompanied by a phytosanitary certificate that certifies the consignment complies with the law's requirements, unless the product is listed in Commission Implementing Regulation (EU) 2018/2019 as exempt from this general requirement, which tea is not.

The phytosanitary certificate must be issued by an authorized body in the country of origin **after a plant health inspection has taken place**. On the phytosanitary certificate, an Additional Declaration must be completed, which includes the **full wording of the treatment/systems approach used**.

In addition, **Commission Delegated Regulation (EU) 2019/1702** establishes a list of priority pests which constitute significant economic, environmental and social impact on EU territory. Currently the list is composed of 20 quarantine pests, including *Xylella fastidiosa*, false codling moth, the Japanese beetle, the Asian long-horned beetle, Citrus greening and Citrus Black Spot.

The format of a phytosanitary certificate must be in line with the International Standard for Phytosanitary Measures No. 12 (ISPM-12) guidelines. Exporters should ensure that any additional declarations required are reflected accurately on the phytosanitary certificate. Documents must be consistent and accurate, for example indicate the correct product, date, and quantities, and ensure the integrity of the consignment by sending what is indicated on the phytosanitary certificate. Specific conditions apply to the compilation of a phytosanitary certificate, and any violations will render the consignment unacceptable and processing will be rejected:

- The name and full address of the consignee must be clearly stated.
- The correct Botanical name of the genus and species must be declared in the appropriate box.
- Each shipment must be accompanied by a phytosanitary certificate.
- Inspection of the products referred to in the certificate and the signing of the certificate must have occurred no more than 14 days before dispatch.
- The certificates must be issued by the official plant protection service of the country.
- Provincial, regional, state or local government certificates are not acceptable.
- The certificates must be signed by an authorised officer of the plant protection service in the country of origin.
- Certificates issued in a language other than English MUST be accompanied by a translation signed by the authorised officer.

An export health certificate is required for the export of all commodities that are for human consumption. Issuance of the certificate is regulated by Port Health Services and is required for each consignment for export. In Kenya, the relevant authority is the **Port Health Services Kenya** under the Ministry of Health.

## Traceability

Traceability refers to as the ability to follow the movement of a food through specific stages of production, processing and distribution (according to the Codex Alimentarius Commission). Also known as the 'one-step-back-one-step-forward' principle, traceability allows identification of the origin of food and feed ingredients and food sources, particularly when products are found to be faulty. Putting in place a traceability system allows a company to document and/or to locate a product through the stages and operations involved in the manufacture, processing, distribution and handling of feed and food, from primary production to consumption. In case of a health issue with a consignment, traceability provides for more rapid access to relevant and reliable information that helps determine the source of the outbreak as well as the location of implicated products.

In general, a food business should not receive any food or food ingredient unless it can identify the name of the food/ingredient and the name and contact information of the supplier. Traceability systems, already mandatory for food businesses operating in certain developed countries, are becoming increasingly common worldwide.

As per **Regulation (EC) No 178/2002, Article 18**, all food products must be traceable within the European Union. While exporters in trading partner countries cannot be legally required to fulfill traceability requirements imposed within the European Union, the requirement extends to the European importer who must be able to identify who in Kenya supplied the tea to them. Thus, records must be kept of a) names and business addresses of anyone that supplies tea and b) names and business addresses of anyone to whom tea is sold.

Tea should not be received or sold unless the name and business address of the supplier/buyer has been identified and recorded. Each lot/batch of tea supplied should be associated with its supplier, and records should indicate/track this. A system should be in place whereby this information can be provided to authorities in the event it is requested. This record may be either in electronic or hard copy, but it must be kept at each step (i.e. the farm, the packhouse, exporter). At the small-scale farmer's level, handwritten records may be used if resources do not allow for other forms of record keeping.

It is common practice for EU buyers to ask trading partners to meet the traceability requirements even beyond the one step back-one step forward principle. However, these requests are part of contractual arrangements and are not legally required.

## Product Quality and Performance

For select agricultural products in the EU, there are requirements that relate to certain quality characteristics meant to offer assurances to EU consumers that the food they buy will be of a minimum level of quality as well as afford consumers a means to better compare products. Although there are no EU Marketing Standards applicable to tea currently, individual European countries have set levels for caffeine in tea and decaffeinated tea. The table below presents the limits in some of Kenya's destination markets.

**Table 19, National Levels for Caffeine in Tea and Decaffeinated Tea in Europe**

| Country         | Min content in tea | Max content in decaff tea   | Provision/Regulation  |
|-----------------|--------------------|-----------------------------|---|
| Austria         | 1.5% in dry mass   | 0.4% in dry mass            | Österreichisches Lebensmittelbuch, IV. Auflage, Codexkapitel B 31, Tee und teeähnliche Erzeugnisse, veröffentlicht 22.12.2017   |
| Belgium         |                    | 0.1% 0.2 in dry mass        | Koninklijk besluit betreffende thee en thee-extracten, 28.04.1999   |
| Denmark         |                    |                             | No specific legislation in place  |
| France          |                    | 1g per kg of tea            | Décret du 7 octobre 1932 pris pour l'application de la loi du 1er août 1905 sur la répression des fraudes dans la vente des marchandises et des falsifications des denrées alimentaires en ce qui concerne le café, la chicorée et le thé |
| Germany         | 1.5% in dry mass   | 0.4% in dry mass            | Deutsches Lebensmittelbuch, Leitsätze für Tee und teeähnliche Erzeugnisse, Neufassung, bekanntgemacht 08.11.2013  |
| Italy           |                    | 0.1 % In dry mass           | Decreto Ministeriale, Disciplina della produzione e del commercio del tè decaffeinato, 20.07.1987   |
| The Netherlands |                    | 0.1 % in dry mass           | Warenwetbesluit Bereiding en behandeling van levensmiddelen, 06.10.2016   |
| Slovakia        |                    | 0.4g per 100g of dry weight | Decree No 309 of the Ministry of Agriculture and Rural Development of the Slovak Republic of 4 November 2015 about snacks, edible salt, dehydrated products, soups and flavourings  |
| Spain           | 1 % in dry mass    | 0.12 % in dry mass          | Royal Decree 1354/1983 of 27th April, approving the technical-sanitary regulation for the production, the circulation and trade of tea and products thereof   |
| Switzerland     |                    | 0.1 % in dry mass           | Verordnung des EDI über alkoholfreie Getränke (insbesondere Tee, Kräutertee, Kaffee, Säfte, Sirupe, Limonaden) vom 01.01.2014   |
| UK              |                    |                             | No specific legislation in place  |

Source: Tea & Herbal Infusions Europe

## Standards for Tea

By nature, standards are voluntary. They provide rules, guidelines or specifications for activities or their results and may have one or more specific objectives. Compliance with standards can offer buyers and consumers across markets assurances that a product will meet or exceed their needs in terms of safety, fitness for purpose, compatibility or interchangeability. Standards can be public or private, national, regional or international in scope. In this way, standards are major facilitators of trade. Standards can benefit companies in many ways depending on their use, including increased market opportunities, competitive advantages, improved risk management and cost reduction. Applying standards can help to establish credibility and a good reputation in an industry.

Standards are also used as the **basis for technical regulations**. For example, when a standard is referenced by or incorporated into a country's food safety law it becomes a technical regulation and is no longer voluntary for that particular market. By making effective use of standards, it is possible to 'stay ahead of the curve' in terms of potential future regulations.

Some standards are specific to certain products and may cover the areas of food safety, product quality, labelling, packaging, etc., and may be regional, national or international in scope. Quality specifications are generally verified at the time of shipment with documentation provided by the supplier to verify that the product is in conformity with the specification. In order to meet the standard, the manufacturer or supplier must present a product in conformity with each of the characteristics laid down in the standard document. Each one can be tested and verified on delivery of the product.

It is important to note that many buyers have developed their own unique set of specifications for any tea leaves that they purchase. Often these requirements are set forth in a 'technical sheet' that describes chemical/physical analysis parameters, sensory characteristics, etc. Sometimes these buyer standards have higher quality requirements than those in national or international product-specific standards. They may also specify different testing methods for determining the quality parameters.

Below are some of **the most common product standards for tea relevant for the EU market.**

### International Tea Standards

These are standards developed by the International Organization for Standardization (ISO – [www.iso.org](http://www.iso.org)). For tea and related products, the standards below apply.

Point of Note: The full standards which include technical guidelines can only be obtained by purchasing them from the ISO's website: <https://www.iso.org/standards.html>

| Title of Standard  | Description of standard (via iso.org)  |
|--|--|
| ISO 3720:2011 Black tea -- Definition and basic requirements   | ISO 3720:2011 specifies the parts of a named plant that are suitable for making black tea for consumption as a beverage and the chemical requirements for black tea that are used to indicate that tea from that source has been produced in accordance with good production practice.<br><br>ISO 3720:2011 also specifies the packing and marking requirements for black tea in containers.<br><br>ISO 3720:2011 is not applicable to scented or decaffeinated black tea.   |
| ISO 6078:1982 Black tea -- Vocabulary  | Provides a list of terms and definitions in English and French, applicable to the techniques of processing and assessing black tea for commerce. The terms are classified into: 1. dry leaf (appearance, colour, odour); 2. liquor (taste characteristics, appearance); 3. appearance of infused leaf; 4. method of manufacture; 5. general. Information about grades is included in an annex. Alphabetical indices are provided for both English and French terms.  |
| ISO 11287:2011 Green tea -- Definition and basic requirements  | ISO 11287:2011 specifies the parts of a named plant that are suitable for making green tea for consumption as a beverage and the chemical requirements for green tea that are used to indicate that tea from that source has been produced in accordance with good production practice.<br><br>ISO 11287:2011 also specifies the packing and marking requirements for green tea in containers.<br><br>ISO 11287:2011 is not applicable to green tea subject to further processing such as decaffeination and further roasting. |
| ISO 6079:1990 Instant tea in solid form -- Specification   |  |
| ISO/TR 12591:2013 White tea -- Definition  | ISO/TR 12591:2013 contains information regarding the manufacture and chemical analysis of the tea referred to as white tea in international trade. It provides an internationally agreed definition of white tea based on the plant source and production methods used.  |
| ISO 9884-1:1994 Tea sacks -- Specification -- Part 1: Reference sack for palletized and containerized transport of tea | Specifies the materials, construction and dimensions of a reference sack suitable for the palletized and containerized transport of tea.   |
| ISO 9884-2:1999 Tea sacks --   | Specification -- Part 2: Performance specification for sacks for palletized and containerized transport of tea   |
| ISO 11286:2004 Tea -- Classification of grades by particle size analysis   | ISO 11286:2004 specifies a method for the classification of grades of tea according to an analysis of their particle size. It is not applicable to large, leafy grades of tea. This method may not be suitable for blends of tea.  |

|  |  |
|--|--|
| ISO 1839:1980 Tea -- Sampling  | Applies to sampling from containers of all sizes. First are given definitions of relevant terms, followed by a description of apparatus, general information, sampling from containers, packaging, labelling and dispatch of samples, and the sampling report.   |
| ISO 10727:2002 Tea and instant tea in solid form -- Determination of caffeine content -- Method using high-performance liquid chromatography   | This International Standard specifies a method for the determination by high-performance liquid chromatography (HPLC) of the caffeine content of teas and instant teas. It is applicable to green tea, black tea and decaffeinated tea products.   |
| ISO 3103:1980 Tea -- Preparation of liquor for use in sensory tests  | The method consists in extracting of soluble substances in dried tea leaf, containing in a porcelain or earthenware pot, by means of freshly boiling water, pouring of the liquor into a white porcelain or earthenware bowl, examination of the organoleptic properties of the infused leaf, and of the liquor with or without milk or both.  |
| ISO 15598:1999 Tea -- Determination of crude fibre content   |  |
| ISO 9768:1994 Tea -- Determination of water extract  | The principle of the method specified is extraction of soluble matter from a test portion by boiling water under reflux, filtration, washing, drying and weighing of the hot-water-insoluble residue, calculation of the water extract.  |
| ISO 1578:1975 Tea -- Determination of alkalinity of water-soluble ash  | The method consists in titrating of the filtrate from the determination of water-soluble ash, with standard hydrochloric acid solution, using methyl orange as indicator.  |
| ISO 1577:1987 Tea -- Determination of acid-insoluble ash   | The method consists in treating of the total ash (obtained as described in ISO 1575) with hydrochloric acid solution, filtrating, igniting and weighing of the residue.  |
| ISO 1576:1988 Tea -- Determination of water-soluble ash and water-insoluble ash  | The method consists in extracting of the total ash with hot water, filtration through ashless filter paper, ignition and weighing of the residue to determine the insoluble ash; calculation of the soluble ash by difference.   |
| ISO 1575:1987 Tea -- Determination of total ash  | The method consists in destructing of organic matter by heating at 525 +/- 25 degrees centigrade to constant mass using a furnace, capable of being controlled.  |
| ISO 1573:1980 Tea -- Determination of loss in mass at 103 degrees C  | The method consists in heating a test portion in an oven at 103 +/-2 degrees centigrade, to constant mass.   |
| ISO 1572:1980 Tea -- Preparation of ground sample of known dry matter content  | The method consists in grinding of the sample, and determination of the dry matter content of the ground sample by heating a test portion in an oven at 103 +/-2 degrees centigrade to constant mass.  |
| ISO 7514:1990 Instant tea in solid form --   | Determination of total ash   |
| ISO 7516:1984 Instant tea in solid form -- Sampling  | The specified methods apply to sampling from containers of all sizes. Separate methods are described for sampling at the point of manufacture, sampling at subsequent stages in the distribution chain and sampling of retail packs. In addition, different procedures or special precautions are specified depending on whether the samples are to be used for examination of particle characteristics (for example bulk density, flowability, particle size) or compositional characteristics (for example moisture content, ash). |
| ISO 7513:1990 Instant tea in solid form --   | Determination of moisture content (loss in mass at 103 degrees C)  |
| ISO 6770:1982 Instant tea -- Determination of free-flow and compacted bulk densities   | The method for the determination of the free-flow bulk density consists in pouring a sample from a specified funnel into a specified receptacle of known volume and weighing the contents of the receptacle. The determination of the compacted bulk density consists in determining of the volume of a given mass of the product after a fixed number of taps (usually 100) in a jogging volumeter.   |
| ISO 19563:2017 Determination of theanine in tea and instant tea in solid form using high-performance liquid chromatography   | ISO 19563:2016 specifies a high-performance liquid chromatographic (HPLC) method for the determination of theanine content in tea ( <i>Camellia sinensis</i> ). It is applicable to both tea and instant tea samples. Separation of L- and D-theanine is not possible using this method; however, the L-enantiomer is the major form in tea.   |
| ISO 14502-1:2005 Determination of substances characteristic of green and black tea -- Part 1: Content of total polyphenols in tea -- Colorimetric method using Folin-Ciocalteu reagent | ISO 14502-1:2005 specifies a method for the determination of the total polyphenol content of leaf teas and instant teas by a colorimetric assay using Folin-Ciocalteu phenol reagent. It is applicable to both green and black tea products.   |
| ISO 14502-2:2005 Determination of substances characteristic of green and black tea -- Part 2: Content of catechins in green tea -- Method using high-performance liquid chromatography | ISO 14502-2:2005 specifies a high-performance liquid chromatographic (HPLC) method for the determination of the total catechin content of tea from the summation of the individual catechins. It is applicable to both leaf and instant green tea, and with precision limitations to black tea.<br><br>Gallic acid and caffeine can also be determined by this method, as can theogallin and theaflavins.  |

## EAC Regional Tea Standards

The EAC Treaty provides for cooperation in the areas of Standardization, Quality Assurance, Metrology and Testing (SQMT). Under this cooperation, the SQMT Act was enacted in 2006, which among others, sets out the objectives of harmonization of standards, including to protect and improve the health and safety of consumers; facilitate regional and international trade as well as increase opportunities for companies within the community to participate in international technology transfer. The East African Standards (EAS) are developed by the East African Standards Committee (EASC), a policy organ established by the SQMT Act. Their aim is to harmonise quality requirements across the EAC in order to facilitate trade.

For green tea, the relevant standards are:

- **EAS 28:2019 Black tea – Specification:** This East African Standard specifies requirements and the methods for sampling and analysis of unblended black tea. It does not apply to decaffeinated black tea.
- **EAS 922:2019 - Flavoured black tea – Specification:** Specifies requirements, sampling and test methods for flavoured black tea
- **EAS 921:2019 - Green tea – Specification:** Specifies requirements, sampling and test methods for green tea of *Camellia sinensis* (Linneaus) O. Kuntze
- **EAS 923:2019 - Instant tea – Specification:** Specifies the requirements, sampling and test methods for instant tea of the species *Camellia sinensis* (Linneaus) O. Kuntze
- **EAS 45:2000 Tea trade – Glossary of terms – Specification:** This East African Standard lists the terms used in the tea industry and provides their definitions in relation to the technicalities of processing and assessment of tea for the market.

## Kenya Tea Standards

The following are the Kenyan Tea Standards, which can be purchased from the Kenya Bureau of Standards (KEBS).

| Title of Standard  | Description of Standard (via KEBS)  |
|--|---|
| KS 2128: 2015<br>Tea Industry – Code of practice                               | Provides guidelines for achieving requirements for food safety and quality; worker health, safety, and welfare; environmental protection and sustainability by stakeholders along the tea value chain in Kenya.   |
| KS EAS 28:2019<br>Black tea – Specification                                    | Specifies requirements and methods sampling and test of black tea of the species <i>Camellia sinensis</i> (Linneaus) O. Kuntze.   |
| KS EAS 922:2019<br>Flavoured black tea- Specification                          | Specifies requirements, sampling, and test methods for flavoured black tea  |
| KS EAS 921:2019<br>Green Tea - Specification                                   | Specifies requirements, sampling and test methods for green tea of <i>Camellia sinensis</i> (Linneaus) O. Kuntze  |
| KS ISO 11287:2011 Green tea-Definition and basic requirements                  | Specifies the parts of a named plant that are suitable for making green tea for consumption as a beverage and the chemical requirements for green tea that are used to indicate that tea from that source has been produced in accordance with good production practice.  |
| KS 2745:2017<br>Purple tea - Specification.                                    | Specifies the parts of <i>Camellia sinensis</i> (Linneaus) O. Kuntze suitable for making purple tea for consumption as a beverage and the chemical requirements used to indicate that tea from that source has been produced in accordance with good production practice. |
| KS EAS 923:2019<br>Instant tea - Specification.                                | Specifies the requirements, sampling, and test methods for instant tea of the species <i>Camellia sinensis</i> (Linneaus) O. Kuntze   |
| KS 2744:2017<br>Orthodox tea - Specification.                                  | Specifies requirements, sampling and test methods for orthodox teas (non-aerated, aerated, semi aerated and purple) of the species <i>Camellia sinensis</i> (Linneaus) O. Kuntze.   |
| KS ISO 11286:2004<br>Tea - Classification of grades by particle size analysis. | Specifies, a method for the classification of grades of tea according to an analysis of their particle size. It is not applicable to large, leafy grades of tea   |

Continues>>

|   |   |
|---|---|
| KS 944-1:2011<br>Specification for woven bags (100% sisal) for green tea leaves - Part 1: Three-dimensional type  | Specifies the constructional and performance requirements for woven bags (100% sisal) for packing and conveyance of 10 kg to 13 kg load of green tea leaves.  |
| KS 944-2:2011<br>Specification for woven bags (100% sisal) for green tea leaves - Part 2: Two-dimensional type  | Specifies the constructional and performance requirements for woven bags (100% sisal) for packing and conveyance of 10 kg to 15 kg load of green tea leaves   |
| KS 2780:2018<br>Knitted bags (100 % polyethylene) for green tea leaves - Specification.   | Specifies the constructional and performance requirements for three-dimensional knitted bags (100 % Polyethylene) for packing and conveyance of 10 kg to 14 kg load of green tea leaves.  |
| KS 1927:2012<br>Tea packets and containers - Specification.   | Specifies the requirements and test methods of test for tea packets and containers  |
| KS ISO 9884-1:1994<br>Tea sacks specification - Part 1: Reference sack for palletized and containerized transport of tea.   | Specifies the materials, construction, and dimensions of a reference sack (valve-pasted, flat, hexagonal-ended sack of stepped-end construction, formed from a stepped-end tube) suitable for the palletized and containerized transport of tea |
| KS ISO 9884-2:1999<br>Tea sacks Specification Part 2: Performance specification for sacks for palletized and containerized transport of tea.  | Specifies requirements and tests to determine the suitability of sacks for the palletized and containerized transport of tea on standard pallets of standard unit load size in standard containers (see ISO 9884-1).                            |
| KS ISO 14502-1:2005<br>Determination of substances characteristic of green and black tea - Part 1: Content of total polyphenols in tea - Colorimetric method using Folin-Ciocalteu reagent. | Specifies a method for the determination of the total polyphenol content of leaf tea and instant tea by a colorimetric assay using Folin-Ciocalteu phenol reagent   |
| KS ISO 14502-2:2005<br>Determination of substances characteristic of green and black tea - Part 2: Content of catechins in green tea - Method using high-performance liquid chromatography. | Specifies a high-performance liquid chromatographic (HPLC) method for the determination of the total catechin content of tea from the summation of the individual catechins   |
| KS ISO 7514:1990<br>Instant tea in solid form - Determination of total ash.   | Specifies a method for the determination of the total ash of instant tea in solid form  |
| KS ISO 7516:1984<br>Instant tea in solid form - Sampling.   | Specifies methods of sampling instant tea in solid form (hereinafter referred to as instant tea)  |
| KS ISO 6770:1982<br>Instant tea- Determination of free-flow and compacted bulk densities  | Specifies two methods for the determination of the bulk density of instant tea: a) free-flow bulk density (section one) b) compacted bulk density (section two)   |
| KS ISO 1578:1975<br>Tea - Determination of alkalinity of water soluble ash.   | Specifies a method for determination of the alkalinity of water-soluble ash of tea  |
| KS ISO 15598:1999<br>Tea - Determination of crude fibre content.  | Specifies a method for the determination of crude fibre content in tea  |
| KS 2404:2015<br>Tea - Raw material for extraction Specification   | Specifies the requirements and prescribes the methods for sampling and test of instant tea of the species <i>Camellia sinensis</i> (Linnaeus) O. Kuntze   |
| KS ISO 10727:2002<br>Tea and instant tea in solid form-Determination of caffeine content-Method using high-performance liquid chromatography  | Specifies a method for the determination by high-performance liquid chromatography (HPLC) of the caffeine content of teas and instant teas.   |

## Packaging

Packaging is a vital component of export success and includes not only the materials used to package the product, but also all of the packaging-related processes along the supply chain. Packaging machines and equipment, transportation and storage, whether at a production centre, distribution centre or at the point of sale, all influence the success of a packaging system. Moreover, the disposal of packaging material after final use or consumption of the product must also be considered.

Packaging serves two main purposes – to ensure the integrity of the product until sale and to entice consumers to purchase the product over other options. Packaging protects its contents from external threats including spoilage, breakage and damage from external environmental conditions until the product reaches the end user. Non-compliance with regulations such as those pertaining to food contact materials can result in outright rejection of goods at the port of entry in the destination market.

There are generally three layers of packaging that need to be considered for most products: primary, secondary and tertiary:

- Primary packaging is that which comes into immediate contact with the product and is the smallest unit of distribution.
- Secondary packaging envelops the primary packages and serves as an added layer of protection, such as a case or carton.
- Tertiary packaging is the third layer of packaging, which is generally used during transportation or shipping, such as a palletized load of secondary packages.

Different importers/buyers will have different packaging requirements, depending on their point in the supply chain. The exporter must thus ensure that their packaging systems fit the market expectations and requirements.

For the tea sector, no product-specific packaging requirements exist for green tea leaves within EU regulations. Different importers/buyers will have different requirements regarding what they expect in terms of packaging. The following should however be borne in mind:

- **Food contact materials:** Regulation (EC) No 1935/2004 lays out rules regarding materials that come into contact with food products, such as packaging. Thus, only materials which are suitable for contact with food are used and that they will not endanger human health, cause an unacceptable change in the composition of the food or cause deterioration in the sensory characteristics of the food. The packaging must be free from substances that could damage the food, fungal contamination, insect infestation and undesirable or bad odours.
- **Bulk packaging:** The type of packaging used is foil-lined, multi-ply paper sacks in order to protect the tea from moisture and other forms of contamination during shipment, thereby reducing spoilage. Sacks generally weigh around 58kg but can weigh up to 75kg. Polypropylene or jute sacks lined with polyethylene are also used.
- **Consumer-ready products:** These call for both quality related packages as well as aesthetic characteristics. For the latter, the aim is to attract the customer and stand out from the crowd. This calls for a well-designed, professional packaging. Some of the specific quality conditions for packaging which have been named by industry sources include specific density conditions for tea bags, hygienic quality, MRLs of pesticides, specific information on blends and flavours and tea bag paper quality<sup>14</sup>.
- **Transport Packaging:** During transport, the quality of tea must also be protected. As tea is a perishable product, it cannot be stored indefinitely without degrading quality. Cargo should be protected from moisture during loading and appropriate temperature/humidity controls must be observed. Containers should be clean, free from pests and protected from external contaminants.

- **Packaging Waste:** To minimise the impact of packaging material on the environment, the EU Council Directive 94/62/EC of 1984 (with several amendments including Directive (EU) 2018/852 (concerning recycling targets and movement toward a circular economy) provides the following with regard to packaging:
  - Packaging shall be so manufactured that the packaging volume and weight be limited to the minimum adequate amount to maintain the necessary level of safety, hygiene and acceptance for the packed product and for the consumer.
  - Packaging shall be designed, produced and commercialized in such a way as to permit its reuse or recovery, including recycling, and to minimize its impact on the environment when packaging waste or residues from packaging waste management operations are disposed of.
  - Packaging shall be so manufactured that the presence of noxious and other hazardous substances and materials as constituents of the packaging material or of any of the packaging components is minimized with regard to their presence in emissions, ash or leachate when packaging or residues from management operations or packaging waste are incinerated or landfilled.

## Labelling

Labelling is one of the main reasons that export food consignments are rejected at the point of entry. When the labelling does not comply with international requirements or requirements of the importing country, the goods may be rejected outrightly, or there may be delays in its release until corrective action is taken or new labelling is applied. In either case, trade is disrupted and could even lead to spoilage of the whole consignment if the conditions are not ideal, incurring significant financial losses. Most countries have laws stipulating how foods are to be labelled and what information labels must contain. It is therefore essential that exporters familiarise themselves with the food labelling requirements of importing countries.

The Codex Alimentarius Commission has deemed eight key elements as mandatory for consumer-ready packaged foods within Codex Standard 1-1985 (General Standard for the Labelling of Pre-packaged Foods). These elements serve as the basis for many national regulations on labelling; however, they are only a starting point, as there are many other factors to consider. For example, labels will differ for primary, secondary and tertiary packaging. There will also be different barcodes used for primary, secondary and tertiary packaging. Requirements will also vary from one region of the globe to another and will differ depending on if the product is to be sold in bulk or retail format.

Effective retail labelling goes beyond the mandatory particulars and serves to differentiate a product and appeal to the customer. Its success depends on many other factors such as materials, design elements, different bar codes and QR codes that provide additional information to the consumer. As a rule of thumb, the labelling information must be easy to understand, easily visible, clearly legible and indelible, using a minimum font size. Labelling information must appear in the official language(s) of the Member State where the product is marketed. English is often used for transportation labels when shipping internationally. In addition, labels or any direct printing must not contain any toxic ink or glue. EU labelling legislation forbids misleading consumers with false claims about the product. This includes mandatory information as well as any voluntary information that is included on the label.

Tea labelling requirements differ with the kind of product being packaged, as follows:

- **Bulk labelling requirements:** According to a CBI Report, the following information should be on the label of bulk packages of tea:
  - the lot number (identification number)
  - net and gross weight (quantity of content)
  - the type of tea (e.g. green or black, ingredient list)
  - a statement of identity (for example, English breakfast tea)
  - country of origin
- **Labelling of food contact materials**  
According to Regulation (EC) No 1935/2004, articles intended to come into contact with foodstuffs, including packaging materials and containers shall be labelled 'for food contact' or shall bear the symbol with a glass and fork.
- **Labelling of food additives and flavourings**  
If food additives and/or flavourings are used in food products, they must always be labelled on the packaging by their category (anti-oxidant, preservative, colour, etc.) along with their name or E-number. Other provisions on labelling of additives sold as such to food producers and consumers are laid down in Regulation (EC) No 1333/2008 and Regulation (EC) No 1334/2008.

## Market Preferences / Trends

According to various reports, there is a noticeable shift in tea consumption trends, characterised by the following:

- An **increasing demand for high quality tea which is not available in the mainstream market.** This has led to a shift from the traditional dominance of black tea to demands for new varieties, ingredients, flavours and blends, like green tea, black fusion teas, ready to drink teas, fruit and herbal blends and spices such as cinnamon and cardamom.
- There is increasing **recognition of the health benefits of consuming tea**, as an alternative to other soft beverages like coffee. Tea is known to have antioxidants or polyphenols, which have been shown to protect cells in the body from oxidative damage that can lead to cancers. Tea is also said to include alkaloids, amino acids, carbohydrates, proteins, chlorophyll, volatile organic compounds, fluorides, aluminium, minerals and other trace elements like potassium, calcium and manganese. This recognition has led to increased demand for green tea, which is more often associated with positive health effects. There is also an increased demand for teas with other health benefits, such as weight loss or relaxation benefits.
- **Traceability in tea trade** is becoming more important in the EU market and this has led some tea retailers and packers to bypass tea auctions and deal directly with tea farms. Not only does this improve traceability, but it also makes it easier for tea buyers and sellers to control prices. This practice has enabled small players to enter the market by selling tea from farms to consumers through the internet.
- There is **growing interest in specialty teas** with distinct flavours as opposed to bagged black teas. This has led to growth of whole-leaf / loose leaf teas enhanced by single-origin credentials and certifications. These teas are popular with millennials looking to replace sodas with tea. New flavours are also gaining popularity with specialist retailers.

- Due to the growing interest in sustainable tea production, climate change and worker rights, the **demand for certified teas** has increased significantly in the EU market. The effects of climate change on tea production in Kenya are a growing concern as irregular rainfall, frost and rising temperatures interfere with the quality and quantity of harvests. Of the certifications most common for tea producers, the following are of significant importance when considering the EU market: UTZ / Rainforest Alliance; Fairtrade and organic certification.

## EU Market preferences

- **UTZ / Rainforest Alliance:** This program offers certification to farmers and businesses to show that their products have been sourced through techniques that are effective, environment-friendly and protect workers. The certification is offered to tea producers because tea production is vulnerable to climate change and employs hundreds of thousands of workers whose working and living conditions may not always be ideal.
  - For certification, tea farmers and companies have to meet the standards stipulated in the codes of conduct for tea and rooibos which include: (a) Chain of Custody Standard + Tea Annex v1.1 2015, (b) Code of Conduct Tea Module 1.1 – 2015, (c) Core Code of Conduct for group and multi-group certification, and (d) Core Code of Conduct for Individual & Multi-site certification. The UTZ/ Rainforest alliance certification codes of conduct for tea are available on the UTZ website using this link: <https://utz.org/what-we-offer/certification/products-we-certify/tea/>
  - Tea farmers and companies can obtain UTZ certification by signing up for a certification program through the UTZ website. Signees are offered trainings and after fulfilment of the codes of conduct, are audited and certified. UTZ / Rainforest Alliance.
- **Fair Trade:** This certification provides a safety net for farmers and producers by setting minimum prices for major commodities like tea following compliance with Fairtrade Standards that are designed to protect workers by ensuring decent wages, gender equality, and prohibition of child labour and forced labour as well as ensuring environmental conservation.
  - Fairtrade certification provides both general and product-specific standards that have to be met to qualify for certification. Fairtrade standards for tea include standards for (a) small producer organizations and traders, (b) hired labour and traders, and (c) herbs, herbal teas and spices for small producer organizations and traders. These Fairtrade standards can be accessed from the Fairtrade International website using the following link: <https://www.fairtrade.net/standard/about>
  - Certification is obtained by meeting the standards mentioned above, then contacting FLOCERT- the independent certifier for Fairtrade, who audit farmers and distributors to check compliance with Fairtrade standards, after which a decision is made following an evaluation by certification analysts. FLOCERT can be contacted by filling a form provided on their website at: <https://www.flocert.net/start-trading-fair-today/>.
- **Organic certification:** This form of certification shows that a production process was done in accordance with international organic standards. These organic standards stipulate that food production is done using suitable environmental practices, biodiversity, preservation of natural resources and application of high animal welfare standards.
  - EnCert is the national organic certification body which offers organic certification in Kenya which provides organic standards for crop production and handling and processing which are applicable to tea producers. To obtain organic certification, tea producers must comply with the organic standards, then apply for certification by filling an online application form provided by EnCert. After completion of the form, an inspection is scheduled, performed then reviewed for certification. The organic standards for tea and the application form can be accessed through EnCert's website: [http://www.encert.co.ke/organic certification](http://www.encert.co.ke/organic%20certification)

The above trends present opportunities for Kenyan tea packers, to diversify from the traditional export of bulk CTC tea.

### Where to find additional / updated information

Additional information on the requirements to export to the EU or to any other market, can be found from the following organisations:

- AFA Tea Directorate: is the regulatory body for the tea sector and officially the lead on all matters tea. <https://tea.agricultureauthority.go.ke/>
- Pest Control and Produce Board (PCPB): monitors the pesticides being used in the country, as well as informing tea farmers and stakeholders about banned ones. <http://www.pcpb.go.ke/>, [www.pcpb.go.ke](http://www.pcpb.go.ke)
- KEPHIS: responsible for all matters SPS, KEPHIS also inspects premises and issues the sanitary and phytosanitary certificate. <https://www.kephis.org/>
- EU Pesticide Database: the database contains details of all allowed pesticides, as well as those that are banned. <https://ec.europa.eu/food/plant/pesticides/eu-pesticides-database/public/?event=homepage&language=EN>
- The Codex Alimentarius Commission (CAC): also maintains a pesticide database that outlines MRLs for different foods and food categories. Countries sometimes refer to this database in lieu of establishing their own MRLs within food safety regulations.
- ITC Quality Compass: provides comprehensive and very detailed requirements about the quality requirements for exporting tea to the EU, both mandatory and voluntary.
- EU Export Health Desk: provides product specific requirements, as well as import related procedures.
- Tea and Herbal Infusions Europe (THIE) provide several guidelines that protect the interests of tea producers and traders within the EU. <https://www.thie-online.eu/>
- International Speciality Tea Association: contains standards for various issues, including standards for Specialty Tea — Plucking and Leaf Uniformity. Read more on <https://specialityteaassociation.org>
- Fairtrade: certifies and monitors compliance with specific codes of conduct then incentivises compliance by setting favourable minimum prices for tea. <https://www.fairtrade.net/>
- Organic certification: provides certification to tea producers who meet organic standards for tea production. <http://www.encert.co.ke/>
- UTC/ Rainforest Alliance: stipulates standards that have to be met to ensure environmental conservation and worker rights are upheld during the production of tea. <https://www.rainforest-alliance.org/utz/>.



# Chapter 3: Step by Step Procedures for Exporting Tea in Kenya

## Overview and Objectives of Chapter 3:

This Chapter presents the whole gamut of business processes and regulatory activities required to export coffee in Kenya for a first time exporter – from registering as an exporter, going through the various state entities to obtain various certifications and approvals, to releasing the coffee at the port for shipment.

Several important points to note in reading this chapter:

- As part of implementing the WTO Trade Facilitation Agreement (WTO-TFA), these measures have been mapped and documented as part of the EAC Regional Information Trade Portal, which brings together National Trade Portals. The information in the chapter is drawn from the Kenya Trade Portal (<https://kenya.tradeportal.org>).
- As part of implementing the WTO TFA, which calls for simplifications of trade procedures, as well as other measures meant to regulate the sector, these procedures may change from time to time. It is therefore important that exporters regularly check the InfoTrade Kenya Portal to ensure they are well acquainted with the current procedures at the time of exporting.
- The chapter currently maps procedures as at 10th July 2020. It presents ALL the procedures a first-time exporter would go through, meaning that for SMEs that are already established, some of the steps may not be necessary.

The **key objectives** of this Chapter are:

- To provide the Kenyan tea SME with both a summary and an elaboration of the whole coffee export process in Kenya; from the document requirements, involved institutions, the costs and the time to meet all the requirements
- To provide Kenyan TSIs with an understanding of the overall regulatory burden for coffee exporters
- To point the Kenyan tea SMEs and TSIs to sources of credible information on the coffee exporting process in Kenya

## Summary of Procedures for Export of Tea from Kenya Through the Port of Mombasa:

Exporting tea in Kenya through the Port of Mombasa involves 52 different steps, that fall into 16 broad procedures. Overall, 49 documents are required at various parts of the export process, which are obtained from 22 institutions. To complete all the procedures, a first-time exporter would require about 24 days minimum, but may take up to 88 days due to various procedures like inspection of premises that depend on time to organise the visit as well as the size of the premises / land to be inspected. The cost of all the government processes (meaning excluding those offered by private sector like freight clearing / forwarding or carriage by ship) is about KES 48,500 + USD 3 (approx. USD 516)

**Figure 9, Summary of procedures and required documents, institutions, time and cost to export tea in Kenya**

|                                |  |
|--------------------------------|--|
| <b>Overall number of Tasks</b> | 16 overall Procedures, comprising 52 steps |
| <b>Documents Required</b>      | 49 documents required                      |
| <b>Institutions Involved</b>   | 22 institutions                            |
| <b>Legislations</b>            | 18 laws                                    |
| <b>Estimated Time</b>          | 24 days minimum, up to 88 days maximum     |
| <b>Estimated Cost</b>          | KES 48,500 +USD 3                          |

Note: this information was gathered from the InfoTrade Kenya Portal on 10th July, 2020

The figure below summarises the 16 procedures that a trader must complete to export tea. Assuming that the SME has secured an order to export tea, the first step is to obtain a license to buy tea. This license is obtained from the AFA Tea Directorate. Additionally, the SME is required to register as an exporter with the Directorate. Once that is done, the exporter is required to obtain a food hygiene license from KEPHIS – among others, KEPHIS will come and inspect the premises of the exporter before the license is issued.

**The figure below summarises the 16 procedures that a trader must complete to export tea to the EU.**



## Step by Step Procedure for Export of Tea from Kenya through the Port of Mombasa:

### Procedure 1: Obtain Tea Buyer / Exporter Registration Certificate

|  |   |
|--|---|
| What are the steps involved                    | There are <b>5 steps required to Obtain Tea Buyer / Exporter Registration Certificate</b> , as follows: <ol style="list-style-type: none"> <li>1. Apply for the Registration Certificate</li> <li>2. Obtain payment notification</li> <li>3. Pay for Registration Certificate via the bank</li> <li>4. Submit proof of payment</li> <li>5. Obtain Registration Certificate</li> </ol>   |
| Which Institutions do you go to                | <ul style="list-style-type: none"> <li>■ AFA Tea Directorate E-Portal (Website: <a href="https://portal.teaboard.or.ke/login.aspx">https://portal.teaboard.or.ke/login.aspx</a>)</li> </ul>   |
| Which documents are needed                     | <ul style="list-style-type: none"> <li>■ Valid copy of Certificate of incorporation</li> <li>■ List of company directors (copy)</li> <li>■ Bankers cheque (copy) or copy of Bank deposit slip</li> <li>■ Business plan (copy), detailing the source of tea, warehousing arrangements, prospective markets and financial capability. OR – a business proposal (copy) detailing the source of tea, warehousing arrangements, prospective markets and financial capability.</li> <li>■ Identity card (copy) of the directors of the company or Passport (copy) of the directors of the company.</li> <li>■ Company contact details. Will be required to create user credentials to access the e-Trade Portal.</li> </ul>   |
| What is the legal basis for these requirements | <ul style="list-style-type: none"> <li>■ Crops Act (2013) - Sections 20-23, 32 &amp; 33 and 1st Schedule</li> </ul>   |
| Fees   | <p>Fees vary depending on the Category of the applicant:</p> <ul style="list-style-type: none"> <li>■ KES 20,000 - For tea buyer/exporter &amp; importer registration certificate</li> <li>■ KES 10,000 - For renewal of license</li> </ul> <p><b>Note:</b></p> <ul style="list-style-type: none"> <li>■ Payment for the registration certificate can be made via MPESA Paybill number 888343 and the account name will be the name of the exporter or the exporting company's name.</li> <li>■ Payment may also be paid to the bank. Cheques / cash should be deposited into the AFA Tea Directorate account at National Bank Ltd. A/C No: 01003000544300.</li> <li>■ The trader will be required to submit their proof of payment at the AFA Tea Directorate office for receipting. They may also scan it and send it via <a href="mailto:infotea@afa.go.ke">infotea@afa.go.ke</a>.</li> </ul>  |
| Processing time for full task                  | Min. 15 days - Max. 20 days   |
| Contact info                                   | <p>AFA Tea Directorate<br/> Agriculture and Food Authority Tea House; Naivasha Road, off Ngong Road, P.O. Box 37962 - 00100, Nairobi<br/> Tel: +254 722 200 556 / +254 734 600 944<br/> Email: <a href="mailto:infotea@afa.go.ke">infotea@afa.go.ke</a><br/> Website: <a href="http://tea.agricultureauthority.go.ke">tea.agricultureauthority.go.ke</a></p>  |
| What document do you receive                   | <p>Tea buyer/exporter &amp; importer registration certificate</p> <ul style="list-style-type: none"> <li>■ The tea buyer/exporter &amp; importer registration certificate is valid for a financial year beginning 1st July to 30th June.</li> </ul>   |
| Additional information                         | <ul style="list-style-type: none"> <li>■ New users will be required to create their login credentials while registering on the ePortal prior to application for the registration certificate. All documents to be attached must be in pdf format. The design of the AFA Tea Directorate Portal has a feature that will require the trader to attach either a copy of a blank banker's cheque or a copy of a blank receipt to be able to complete their online registration process. The submission notification is sent via e-mail.</li> <li>■ Traders who wish to obtain a physical receipt for filing, can submit their payment receipts at AFA Tea Directorate offices in Mombasa, Nairobi or Kericho depending on their location. Once payment is processed in the system, the trader's licence will be available in their account on the AFA Tea Directorate portal. The proof of payment can also be submitted via the e-mail: <a href="mailto:infotea@afa.go.ke">infotea@afa.go.ke</a> and an official receipt will be sent back.</li> </ul> |

## Procedure 2: Register as an Exporter

|  |   |
|--|---|
| What are the steps involved                    | There are <b>5 steps required to register as an exporter</b> , as follows:<br>6. Apply to be an Exporter<br>7. Pay prescribed fee<br>8. Field Audit<br>9. Training on Electronic Certification System (ECS)<br>10. Obtain user credentials and ECS user rights letter   |
| Which Institutions do you go to                | Kenya Plant Health Inspectorate Service (KEPHIS)<br>P.O. Box 00100-49592, Nairobi<br>Tel +254 709 891 000 / +254 206 618 000<br>Email: <a href="mailto:director@kephis.org">director@kephis.org</a> , <a href="mailto:kephisinfo@kephis.org">kephisinfo@kephis.org</a><br>Website: <a href="http://www.kephis.org">www.kephis.org</a>   |
| Which documents are needed                     | <i>For the Application to be an exporter</i><br><ul style="list-style-type: none"> <li>■ Exporter registration form (original) - To be filled by the owner of the company.</li> <li>■ Contract (copy) - If the exporter is purchasing produce from a grower.</li> <li>■ AFA HCD export licence (copy) - Issued by AFA Horticultural Crops Directorate.</li> </ul> <i>For the field audit:</i><br><ul style="list-style-type: none"> <li>■ Physical presence - Of the owner or appointed technical personnel.</li> <li>■ KEPHIS inspection checklist (copy) - Traders are expected to comply with the requirements and meet the standards in the checklist. There are different standards for commodities and for dry produce.</li> </ul> <i>For the ECS Training</i><br><ul style="list-style-type: none"> <li>■ AFA HCD export licence (copy) - To be attached on the ECS system during user registration or Valid business permit (copy)</li> </ul>   |
| What is the legal basis for these requirements | <ul style="list-style-type: none"> <li>■ Procedure for Registration as an Exporter of Agricultural Produce</li> <li>■ Kenya Plant Health Inspectorate Service Act No. 54 of 2012 (Section 5)</li> <li>■ Agricultural Food Authority Act (2013) (Section 4 First Schedule)</li> <li>■ Crops Act (2013) (Sections 6, 8, 16, 26-30, 40)</li> <li>■ Legal Notice 48 (The Plant Protection Fees &amp; Charges) Rules (2009)</li> <li>■ KEPHIS Notice</li> <li>■ The Agricultural Produce (Export) Act 319 (Sections 3, 4)</li> </ul>   |
| Fees   | Overall cost depends on the location of the exporter. The given costs are KES 21,000. Costs break down as follows:<br><ul style="list-style-type: none"> <li>■ KES 0 - KES 58.4 per kilometre for audit mileage – amount will depend on distance.</li> <li>■ Field Audit fees: KES 1,000 - For field audit for one hectare or less. KES 0 - KES 250 per hectare for field audit for every additional hectare above one hectare.</li> <li>■ For dry produce: KES 5,000 for inspection of dry produce weighing less than 34 kilograms. KES 0 - KES 0.15 per kilogram for inspection of dry produce for every additional kilogram above 34 kilograms.</li> <li>■ Phytosanitary certificate deposit fee - KES 15,000: For deposit of expected future phytosanitary certificates.</li> </ul> Payment methods: mobile money platforms, cheques or direct deposit<br><ul style="list-style-type: none"> <li>■ MPESA Paybill number 570581. Account number will be the service paid for e.g., "Field Audit".</li> </ul> |
| Processing time for full task                  | Min. 3 days - Max. 10 days  |
| Contact info                                   | Kenya Plant Health Inspectorate Service (KEPHIS)<br>P.O. Box 00100-49592 , Nairobi<br>Tel: +254 709 891 000 / +254 206 618 000<br>Email: <a href="mailto:director@kephis.org">director@kephis.org</a> , <a href="mailto:kephisinfo@kephis.org">kephisinfo@kephis.org</a><br>Website: <a href="http://www.kephis.org">www.kephis.org</a>   |
| What document do you receive                   | <b>KEPHIS payment receipt – if you pay for field audit</b><br><ul style="list-style-type: none"> <li>■ Inspection feedback – from the field audit</li> <li>■ Training feedback – for the training on ECS</li> <li>■ Export authorization letter</li> <li>■ ECS User credentials</li> </ul>  |

Continues>>

Additional information

- The application can be submitted physically or sent via e-mail to the headquarters or regional offices. However, applications submitted to regional offices take longer to process as they are forwarded to the headquarters. The acknowledgement letter is sent via post mail or e-mail within 2-4 days. Upon submission of the application, the applicant is advised to liaise with the Plant Inspection Unit to organize for training on the Electronic Certification System (ECS) for both their management and staff.
- The time taken to carry out the audit depends on the size of the farm or go-down facility and the number of inspectors.
- Training on the ECS is scheduled for every Monday from 9:00 a.m. - 11:00 a.m. except on public holidays. Training can be requested physically, via phone call or sent via e-mail, and booked for other working days depending on the availability of training officers. Traders outside of Nairobi will be trained at the KEPHIS' regional offices as per the list attached in contact information. Registration on the ECS system will be done during training.
- The user credentials and ECS user rights will be sent to the applicant via e-mail. However, they may not be sent at the same time. The authorization letter gives the exporter clearance to export to the specified market during application. If the exporter desires to switch markets or crops, KEPHIS will initiate another audit prior to giving new clearance and authorization.

### Procedure 3: Register with KenTrade Single Window System (KESWS)

|  |   |
|--|---|
| What are the steps involved                    | There are <b>4 steps required to register with the KESWS</b> , as follows:<br>11. Submit request for company registration<br>12. Obtain registration notification<br>13. User registration<br>14. Obtain user credentials   |
| Which Institutions do you go to                | This whole process is done online. Companies are required to request for registration via <a href="mailto:contactcenter@kentrade.go.ke">contactcenter@kentrade.go.ke</a> .  |
| Which documents are needed                     | <i>To submit request to register:</i><br><ul style="list-style-type: none"> <li>■ Request for company registration</li> <li>■ Contact details</li> </ul><br><i>For user registration:</i><br><ul style="list-style-type: none"> <li>■ Company PIN (copy)</li> <li>■ Contact details</li> <li>■ Individual PIN number of the trader.</li> <li>■ E-mail address of the trainee's supervisor.</li> </ul>   |
| What is the legal basis for these requirements | None  |
| Fees   | None  |
| Processing time for full task                  | 1-2 days  |
| Contact info                                   | Kenya Trade Network Agency (KenTrade)<br>P.O. Box 00200-36943, Longonot Road, Upper Hill, Embankment Plaza, Nairobi. Tel: +254 204 965 000 / +254 709 950 000<br>Email: <a href="mailto:contactcentre@kentrade.go.ke">contactcentre@kentrade.go.ke</a> , <a href="mailto:complaints@kentrade.go.ke">complaints@kentrade.go.ke</a><br>Website: <a href="http://kentrade.go.ke">kentrade.go.ke</a><br><br>Kenya Electronic Single Window System: KESWS<br>Tel: +254 (20) 4965000 / 0709950000<br>Website: <a href="https://kenyatradenet.go.ke/keswsoga/TraderLogin.do">https://kenyatradenet.go.ke/keswsoga/TraderLogin.do</a> |
| What document do you receive                   | <ul style="list-style-type: none"> <li>■ Submission notification – after Step 15</li> <li>■ Registration notification – usually sent via email</li> <li>■ User credentials – sent by email</li> <li>■ KESWS access notification</li> </ul>  |
| Additional information                         | None  |

## Procedure 4: Obtain Delivery Order

|  |  |
|--|--|
| What are the steps involved                    | There are <b>3 steps required to obtain a Delivery Order</b> as follows:<br>15. Obtain invoice for tea purchased at EATTA<br>16. Pay for tea purchased at the EATTA auction<br>17. Obtain Delivery Order   |
| Which Institutions do you go to                | <i>To Obtain Invoice:</i><br><ul style="list-style-type: none"> <li>■ Tea Broker – The East African Tea Traders Association has a list of approved broker members <a href="https://kenya.tradeportal.org/media/EATTA%20Broker%20Members%20List.pdf">https://kenya.tradeportal.org/media/EATTA%20Broker%20Members%20List.pdf</a></li> </ul><br><i>To Pay for invoice:</i><br><ul style="list-style-type: none"> <li>■ Stanbic or Equity Bank</li> </ul><br><i>To Obtain Delivery Order:</i><br><ul style="list-style-type: none"> <li>■ The Tea Broker. The bank will send a copy of the tea release document to the broker and the buyer of tea(s) via e-mail.</li> </ul>  |
| Which documents are needed                     | <i>To Pay for tea purchased at EATTA auction:</i><br><ul style="list-style-type: none"> <li>■ Invoice from the Tea Broker</li> </ul><br><i>To Obtain the delivery order:</i><br><ul style="list-style-type: none"> <li>■ Release document from the bank</li> </ul>   |
| What is the legal basis for these requirements | <ul style="list-style-type: none"> <li>■ East African Tea Trade Association (EATTA) Member Functions</li> </ul>  |
| Fees   | <ul style="list-style-type: none"> <li>■ Amount depends on invoice amount of tea the company made a bid for. Payment is made into a collection account at either Stanbic Bank or Equity Bank as contracted by EATTA to receive and disburse sales proceeds from the auction.</li> <li>■ The bank will send a copy of the tea release document to the broker and the buyer of tea(s) via e-mail. Defaults in payments will attract a daily penalty of 0.3% in addition to the prevailing bank interest rate charged daily for the subsequent four days. If payment is still not made then the trader will be barred from EATTA until full payment is made, and the tea(s) can be re-offered at the next available auction date. The difference between the price offered in the second auction and what was bid originally by the defaulting trader will also need to be paid by the trader before they can commence participating in the auction.</li> </ul> |
| Processing time for full task                  | 15 min to 40 mins  |
| Contact info                                   | East African Tea Trade Association (EATTA)<br>1st Floor, Tea Trade Centre - Nyerere Avenue<br>P. O. Box 85174- 80100, Mombasa<br>Tel: +254 733 208 700 / +254 722 208 699<br>Email: <a href="mailto:info@eatta.co.ke">info@eatta.co.ke</a><br>Website: <a href="http://www.eatta.com/">http://www.eatta.com/</a>   |
| What document do you receive                   | Delivery Order   |
| Additional information                         | Once tea has been purchased after a successful bid at the East African Tea Trade Association (EATTA) auction, the broker selling the tea will send the buyer an invoice for the tea(s) purchased via e-mail. The buyer has up to 9 working days to make payment for the tea(s) purchased.<br>The delivery order (DO) is a document that contains details such as the name of the buyer of the tea(s), location of the warehouse where the tea(s) is stored, garden mark of the tea(s), invoice, grade of the tea(s) and the quantity of the tea(s) in kilograms. The buyer will use the DO to collect their tea(s) from the warehouse(s) where it is stored. The broker will also send a copy of the DO to the warehouse(s) where the tea(s) is stored via e-mail.   |

## Procedure 5: Obtain Local Delivery Note

|  |   |
|--|---|
| What are the steps involved                    | There is <b>1 step required to obtain Local Delivery Note</b> as follows:<br>18. Submit loading instruction   |
| Which Institutions do you go to                | EATTA approved Warehouse.<br>The list of approved members is available on <a href="https://kenya.tradeportal.org/media/EATTA%20Warehouse%20Members%20List.pdf">https://kenya.tradeportal.org/media/EATTA%20Warehouse%20Members%20List.pdf</a>   |
| Which documents are needed                     | <ul style="list-style-type: none"> <li>■ Loading instructions (copy) - Prepared by the forwarding agent detailing the delivery order number, garden mark and grade of tea, invoice number, weight and lot number of tea(s) purchased.</li> <li>■ Delivery order (original) - Obtained from the broker.</li> </ul> |
| What is the legal basis for these requirements | N/A   |
| Fees   | There may be fees payable to the warehouse.   |
| Processing time for full task                  | Min. 5mn - Max. 10mn  |
| Contact info                                   | East African Tea Trade Association (EATTA)<br>1st Floor, Tea Trade Centre - Nyerere Avenue, P. O. Box 85174- 80100, Mombasa<br>Tel: +254 733 208 700 / +254 722 208 699<br>Email: <a href="mailto:info@eatta.co.ke">info@eatta.co.ke</a><br>Website: <a href="http://www.eatta.com/">http://www.eatta.com/</a>    |
| What document do you receive                   | Local Delivery Note   |
| Additional information                         | Warehouses are companies involved in the reception of producers' or buyers' tea(s) for the purpose of safe and hygienic storage awaiting sale or export. Most such warehouses also undertake the role of preparing the tea consignments for shipment and export.  |

## Procedure 6: Obtain Registration Letter

|  |   |
|--|---|
| What are the steps involved                    | There are <b>3 steps required to obtain the Registration Letter</b> as follows:<br>19. Submit application for registration<br>20. Verification of the origin of goods<br>21. Obtain registration letter   |
| Which Institutions do you go to                | <ul style="list-style-type: none"> <li>■ Kenya Revenue Authority (KRA) (Rules of Origin Section) - P.O. Box 00100-18013 Sameer Business Park, Mombasa Road, Nairobi. Tel: +254 770 319 912</li> </ul>   |
| Which documents are needed                     | <p><i>For application purposes:</i></p> <ul style="list-style-type: none"> <li>■ Rules of origin exporter registration form (original)</li> <li>■ Certificate of incorporation (original)</li> <li>■ Sector specific license (original) - The license depends on the commodity of export</li> </ul> <p><i>For verification:</i></p> <ul style="list-style-type: none"> <li>■ Consignment to be exported. (Once the origin of the goods has been verified, the KRA officer will prepare a registration letter that allows the trader to apply for the certificate of origin).</li> </ul> |
| What is the legal basis for these requirements | The Cotonou Agreement   |
| Fees   | None  |
| Processing time for full task                  | Min 5min - Max. 15min   |
| Contact info                                   | Kenya Revenue Authority (KRA) (Rules of Origin Section)<br>P.O. Box 00100-18013 Sameer Business Park, Mombasa Road, Nairobi<br>Tel: +254 770 319 912  |
| What document do you receive                   | <ul style="list-style-type: none"> <li>■ Verification feedback</li> <li>■ Registration Letter (which contains registration details and a registration number unique to the exporter)</li> </ul>   |
| Additional information                         | <ul style="list-style-type: none"> <li>■ If the applicant is not the manufacturer, the applicant is required to provide details of the supplier(s) who will supply the goods for export and attach copies of supplier/producer's declarations. The exporter is advised to follow up with the department to expedite the verification of the origin of their goods.</li> </ul>   |

## Procedure 7: Obtain EU Certificate of Origin

|  |   |
|--|---|
| What are the steps involved                    | <p>There are <b>5 steps required to obtain the EU Certificate of Origin</b> as follows:</p> <ol style="list-style-type: none"> <li>22. Request for Certificate of Origin</li> <li>23. Pay for Certificate of Origin</li> <li>24. Obtain Certificate of Origin form</li> <li>25. Typesetting of the Certificate of Origin</li> <li>26. Submit Certificate of Origin for signing</li> </ol>   |
| Which Institutions do you go to                | <ul style="list-style-type: none"> <li>■ Kenya Revenue Authority (KRA) (Rules of Origin Section) - P.O. Box 00100-18013 Sameer Business Park, Mombasa Road, Nairobi. Tel: +254 770 319 912</li> <li>■ Typesetting Company to type the CoO form</li> </ul>   |
| Which documents are needed                     | <p><i>For Requesting Certificate of Origin:</i></p> <ul style="list-style-type: none"> <li>■ Company PIN certificate (copy) or PIN Certificate (copy)</li> <li>■ Unique registration number (found on the registration letter).</li> </ul> <p><i>Pay for Certificate of Origin:</i></p> <ul style="list-style-type: none"> <li>■ KRA payment authorization slip (original)</li> </ul> <p><i>Type the CoO form:</i></p> <ul style="list-style-type: none"> <li>■ EU certificate of origin form (original)</li> <li>■ Invoice (original)</li> </ul> <p><i>Submit Certificate of Origin for signing:</i></p> <ul style="list-style-type: none"> <li>■ KRA payment authorization slip (original)</li> <li>■ Typed certificate of origin form (original)</li> <li>■ Passed clearance entry (copy)</li> <li>■ Bank deposit slip (original)</li> <li>■ Invoice (original)</li> </ul> |
| What is the legal basis for these requirements | <ul style="list-style-type: none"> <li>■ The Cotonou Agreement</li> </ul>   |
| Fees   | <ul style="list-style-type: none"> <li>■ USD 3 - For issuance of certificate of origin</li> </ul> <p>Payment methods:</p> <ul style="list-style-type: none"> <li>■ Payment can be made in KES at the prevailing exchange rate of the day payment is made.</li> <li>■ Mobile money platforms: For payments via MPESA, MPESA Paybill No: 572572, and the A/C name will be the F147 number. Clients who pay using mobile money platforms, will use the transaction code as proof of payment, which will be written on the F147 form, along with the number of certificates issued to the client.</li> </ul>  |
| Processing time for full task                  | Min. 5min - Max. 20min  |
| Contact info                                   | <p>Kenya Revenue Authority (KRA) (Rules of Origin Section)<br/> P.O. Box 00100-18013 Sameer Business Park, Mombasa Road, Nairobi<br/> Tel: +254 770 319 912</p>   |
| What document do you receive                   | <ul style="list-style-type: none"> <li>■ KRA payment authorization slip</li> <li>■ EU Certificate of Origin form</li> <li>■ Typed certificate of origin form</li> <li>■ Authenticated EU certificate of origin</li> </ul>   |
| Additional information                         | <ul style="list-style-type: none"> <li>■ The EU Certificate of Origin must be typed, not handwritten</li> </ul>   |

## Procedure 8: Pre-Clearance Documentation

|  |  |
|--|--|
| What are the procedures involved               | There are <b>2 steps required for the Pre-clearance Documentation</b> as follows:<br>27. Contract a Clearing Agent<br>28. Book shipping space with shipping agent  |
| Which Institutions do you go to                | <i>For Clearing Agent:</i><br><ul style="list-style-type: none"> <li>■ Kenya International Freight &amp; Warehousing Association (KIFWA). P.O. Box 00200-57969, Nairobi. Email: <a href="mailto:info@kifwa.co.ke">info@kifwa.co.ke</a>. Website: <a href="http://www.kifwa.co.ke">http://www.kifwa.co.ke</a></li> </ul> <i>For Shipping Order:</i><br><ul style="list-style-type: none"> <li>■ Shippers Council of Eastern Africa (SCEA). The Crescent, off Parklands Road (After Kalsion Towers) Westlands, Nairobi 00606. Tel: +254 773 829 547/8 / +254 733 888 540. Email: <a href="mailto:info@shipperscouncillea.org">info@shipperscouncillea.org</a>. Website: <a href="http://www.shipperscouncillea.org">http://www.shipperscouncillea.org</a></li> </ul> |
| Which documents are needed                     | <i>For the Clearing Agent Contract:</i><br><ul style="list-style-type: none"> <li>■ Certificate of incorporation (copy)</li> <li>■ Company PIN certificate (copy)</li> <li>■ Proforma invoice (copy) - Of the consignment to be exported.</li> <li>■ Identity card (copy) - Of the trader.</li> <li>■ Contract (copy) - Between the exporter and the importer.</li> </ul> <i>For the shipping Order:</i><br><ul style="list-style-type: none"> <li>■ Certificate of incorporation (copy)</li> <li>■ PIN Certificate (copy)</li> </ul>  |
| What is the legal basis for these requirements | East African Community Customs Management Act (2004) Sections 145, 146, 187, 188, 189  |
| Fees   | <ul style="list-style-type: none"> <li>■ Negotiations of the rates and charges are between the trader and the clearing agent.</li> <li>■ Negotiations of the rates and charges which depend on a number of factors including the size, weight, number of containers, type of handling required and the destination, are between the trader and the shipping agent.</li> </ul>  |
| Processing time for full task                  | Up to 1 hour   |
| Contact info                                   | You select your preferred agent.<br><ul style="list-style-type: none"> <li>■ Contact KRA for the updated list of licensed clearing agents.</li> <li>■ Complaints and queries can also be directed to the KRA Headquarters addressed to the Office of the Commissioner of Customs and Border Control. P.O. Box 48240 - 00100 GPO, Times Tower, 12th Floor Nairobi, and to Kenya International Freight Warehousing Association (KIFWA) P.O. Box 57969,00200, Nairobi or email: <a href="mailto:info@kifwa.co.ke">info@kifwa.co.ke</a></li> </ul>   |
| What document do you receive                   | <ul style="list-style-type: none"> <li>■ Contract with Clearing Agent</li> <li>■ Shipping Order with shipping company</li> </ul>   |
| Additional information                         | The clearing agent will identify an appropriate shipping line depending on the point of destination and proceed to book space with the shipping agent.   |

## Procedure 9: Obtain passed clearance entry

|  |   |
|--|---|
| What are the steps involved                    | There are <b>3 steps required to obtain passed clearance entry</b> , as follows:<br>29. Lodge a Customs Entry<br>30. Pay Merchant Shipping MS Levy<br>31. Obtain Passed Clearance Entry   |
| Which Institutions do you go to                | Kenya Revenue Authority (KRA), Customs & Border Control, Mombasa<br>P.O. Box 85745, Mombasa. Tel: +254 (041) 313639. Website: <a href="http://www.kra.go.ke">www.kra.go.ke</a>  |
| Which documents are needed                     | <i>To lodge a customs entry:</i><br><ul style="list-style-type: none"> <li>■ Unique consignment reference (UCR)</li> <li>■ Invoice (copy)</li> </ul> <i>To pay for the Merchant Shipping levy:</i><br><ul style="list-style-type: none"> <li>■ KRA e-slip (original)</li> </ul>   |
| What is the legal basis for these requirements | <ul style="list-style-type: none"> <li>■ East African Community Customs Management Act (2004) - Sections 34-36, 41, 82, 123</li> <li>■ East African Community Customs Management Regulations (2010) - Sections 39 - 49</li> <li>■ Merchant Shipping (Fees) Regulation, 2011 Gazette Notice CXIV - No. 1</li> </ul>  |
| Fees   | <ul style="list-style-type: none"> <li>■ USD 0 - USD 0.75 per ton of tea - For merchant shipping levy.             <ul style="list-style-type: none"> <li>■ Payment methods: cash, cheque. The cheque(s) should be drawn to: Commissioner of Customs and Border Control.</li> <li>■ For mobile money platforms; MPESA paybill number 572572, account number will be the E-slip's number.</li> </ul> </li> </ul> |
| Processing time for full task                  | Min. 5min - Max. 30min  |
| Contact info                                   | Kenya Revenue Authority (KRA), Customs & Border Control, Mombasa<br>P.O. Box 85745, Mombasa. Tel: +254 (041) 313639. Website: <a href="http://www.kra.go.ke">www.kra.go.ke</a>  |
| What document do you receive                   | <ul style="list-style-type: none"> <li>■ Clearance entry</li> <li>■ KRA e-slip</li> <li>■ Passed Clearance Entry</li> </ul>   |
| Additional information                         | The clearing agent must have user credentials to access the KRA Simba / iCMS system. The website can only be accessed using Microsoft internet explorer version 5.0 and above.  |

## Procedure 10: Obtain KEPHIS Release

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| <p>What are the steps involved</p>                    | <p>There are <b>2 steps required to obtain KEPHIS Release</b>, as follows:</p> <p>*Request KEPHIS Inspection</p> <p>32. Pay for KEPHIS Inspection</p> <p>33. Obtain Phytosanitary Certificate</p> <p><i>* While one can go straight to Step no. 32 and pay for KEPHIS Inspection, one may also wish to request it and to undergo it. However, this procedure is NOT mandatory by law, but it is recommended.</i></p>   |
| <p>Which Institutions do you go to</p>                | <ul style="list-style-type: none"> <li>■ Kenya Plant Health Inspectorate Service (KEPHIS) (Kilindini)<br/>P.O. Box 80100-80126, Mombasa<br/>Tel: + 254 722 209 501/4 / + 254 734 330 018<br/>Email: <a href="mailto:kephis_mombasa@kephis.org">kephis_mombasa@kephis.org</a><br/>Website: <a href="http://www.kephis.org">www.kephis.org</a></li> <li>■ Electronic Certification System: ECS.<br/>P.O. Box 00100-49592, Nairobi<br/>Tel: +254 709 891 000 / +254 206 618 000<br/>Email: <a href="mailto:kephisinfo@kephis.org">kephisinfo@kephis.org</a>, <a href="mailto:director@kephis.org">director@kephis.org</a><br/>Website: <a href="http://ecs.kephis.org/">http://ecs.kephis.org/</a></li> </ul>   |
| <p>Which documents are needed</p>                     | <p><i>To request KEPHIS Inspection:</i></p> <ul style="list-style-type: none"> <li>■ Passed clearance entry (copy)</li> <li>■ Invoice (copy)</li> <li>■ Request for inspection</li> </ul> <p><i>To pay for KEPHIS Inspection:</i></p> <ul style="list-style-type: none"> <li>■ KRA e-slip (original)</li> <li>■ Passed clearance entry stamped stop by KEPHIS (copy)</li> </ul> <p><i>To undergo the KEPHIS Inspection:</i></p> <ul style="list-style-type: none"> <li>■ Passed clearance entry stamped stop by KEPHIS (copy)</li> <li>■ KEPHIS payment receipt (original)</li> <li>■ Consignment of tea - To be exported.</li> </ul> <p><i>To apply for the Phytosanitary Certificate:</i></p> <ul style="list-style-type: none"> <li>■ Invoice (copy)</li> <li>■ Contact details - Of the consignor and consignee.</li> </ul> <p><i>To obtain the Phytosanitary Certificate:</i></p> <ul style="list-style-type: none"> <li>■ Passed clearance entry stamped release by KEPHIS (copy)</li> <li>■ KEPHIS payment receipt (original)</li> <li>■ Fumigation certificate (copy)</li> </ul> |
| <p>What is the legal basis for these requirements</p> | <ul style="list-style-type: none"> <li>■ Crops Act (2013), Section 40</li> <li>■ Legal Notice 48 (The Plant Protection Fees &amp; Charges) Rules (2009)</li> <li>■ The Agricultural Produce (Export) (Horticultural Produce) (General) Rules (Section 16, 22)</li> <li>■ Kenya Plant Health Inspectorate Service Act No. 54 of 2012 (Section 5)</li> <li>■ The Agricultural Produce (Export) Act 319, Section 3</li> </ul>   |
| <p>Fees</p>   | <p>Cost KES 6,000</p> <ul style="list-style-type: none"> <li>■ This is an estimate based on a series of assumptions which you can modify to calculate your own costs: The variables are: <ul style="list-style-type: none"> <li>■ KES 5,000 - Inspection fees for 0 - 34,000 kgs.</li> <li>■ KES 0 - KES 0.15 per kilogram - Inspection fees for 34,001 Kgs - 280,000 Kgs.</li> <li>■ KES 0 - KES 0.01 per kilogram Inspection fees for 280,000 Kgs and above.</li> <li>■ KES 1,000 - For phytosanitary certificate.</li> </ul> </li> </ul> <p>Payment methods: Bankers cheque, mobile money platforms. MPESA Paybill number 570563. Account number will be the service paid for e.g., "Phytosanitary Certificate"</p>   |

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| Processing time for full task | 5mn - Max. 30mn  |
| Contact info                  | Kenya Plant Health Inspectorate Service (KEPHIS) (Kilindini)<br>P.O. Box 80100-80126, Mombasa<br>Tel: + 254 722 209 501/4 / + 254 734 330 018<br>Email: <a href="mailto:kephis_mombasa@kephis.org">kephis_mombasa@kephis.org</a><br>Website: <a href="http://www.kephis.org">www.kephis.org</a>  |
| What document do you receive  | <ul style="list-style-type: none"> <li>■ Passed clearance entry stamped stop by KEPHIS</li> <li>■ Passed clearance entry stamped by KEPHIS Accounts Office</li> <li>■ KEPHIS payment receipt</li> <li>■ Phytosanitary certificate</li> </ul>   |
| Additional information        | <ul style="list-style-type: none"> <li>■ The request for inspection can be made physically or via phone call. On Sundays, the KEPHIS inspectors operate from Kenya Ports Authority (KPA) terminal 1. Scheduled inspections are carried out for dry commodities such as tea, therefore, if the consignment was already inspected during the scheduled inspections, this step will not be mandatory.</li> <li>■ After payment is made, the KEPHIS accountant will issue a payment receipt and stamp the back of the clearance entry.</li> <li>■ To access the Electronic Certification System (ECS), applicants must have user credentials.</li> </ul> |

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## Procedure 11: Obtain Export Health Certificate

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| What are the steps involved                    | <p>There are <b>4 steps required to obtain the Export Health Certificate</b>, as follows:</p> <ol style="list-style-type: none"> <li>34. Apply for Export Health Certificate and generate e-slip</li> <li>35. Pay for Export Health Certificate</li> <li>36. Verification of Consignment</li> <li>37. Obtain Export Health Certificate</li> </ol>   |
| Which Institutions do you go to                | <p><i>To apply for Export Health Certificate:</i></p> <ul style="list-style-type: none"> <li>■ Kenya Electronic Single Window System: KESWS<br/>Tel: +254 (20) 4965000 / 0709950000<br/>Website: <a href="https://kenyatradenet.go.ke/keswsoga/TraderLogin.do">https://kenyatradenet.go.ke/keswsoga/TraderLogin.do</a></li> </ul> <p><i>For verification of consignment:</i></p> <ul style="list-style-type: none"> <li>■ Port Health Services Kenya (Kilindini), P.O. Box 80100-90027, Mombasa 80100. Tel: +254 412 223 209</li> </ul> <p><i>To obtain Export Health Certificate:</i></p> <ul style="list-style-type: none"> <li>■ Kenya Electronic Single Window System: KESWS<br/>Tel: +254 (20) 4965000 / 0709950000<br/>Website: <a href="https://kenyatradenet.go.ke/keswsoga/TraderLogin.do">https://kenyatradenet.go.ke/keswsoga/TraderLogin.do</a></li> </ul> <p><i>To obtain Port Health Release:</i></p> <ul style="list-style-type: none"> <li>■ Kenya Electronic Single Window System: KESWS<br/>Tel: +254 (20) 4965000 / 0709950000<br/>Website: <a href="https://kenyatradenet.go.ke/keswsoga/TraderLogin.do">https://kenyatradenet.go.ke/keswsoga/TraderLogin.do</a></li> </ul> |
| Which documents are needed                     | <p><i>To apply for export health certificate and generate an e-slip:</i></p> <ul style="list-style-type: none"> <li>■ Unique consignment reference (UCR)</li> <li>■ Invoice (copy)</li> <li>■ Public health recommendation (copy)</li> <li>■ Food hygiene licence (copy)</li> <li>■ Additionally, for fresh produce Phytosanitary certificate (copy)</li> </ul> <p><i>For verification of consignment:</i></p> <ul style="list-style-type: none"> <li>■ Consignment - To be exported.</li> <li>■ Physical presence - Of the clearing agent.</li> </ul> <p><i>To obtain Port Health Release:</i></p> <ul style="list-style-type: none"> <li>■ Passed clearance entry stamped release by KEPHIS (copy)</li> <li>■ Export health certificate (original + copy) - Issued by Port Health Services.</li> <li>■ Food hygiene licence (original + copy) - Issued by Port Health Services.</li> <li>■ Packing list (original + copy)</li> <li>■ Invoice (original + copy)</li> <li>■ Physical presence – of the clearing agent.</li> <li>■ Additionally, for fresh produce - 1. Phytosanitary certificate (original + copy)</li> </ul>   |
| What is the legal basis for these requirements | <ul style="list-style-type: none"> <li>■ Food, Drugs and Chemical Substances (General) Regulations, 1978, Section 10</li> <li>■ Public Health Act CAP 242 Public Health (Fees) Rules - Section 2</li> </ul>   |
| Fees   | <p>Cost KES - 1,500 - for issuance of export health certificate.</p> <ul style="list-style-type: none"> <li>■ The account details are provided on the E-slip generated from Kenya TradeNet System.</li> </ul>   |
| Processing time for full task                  | Min. 15min - Max. 30min   |
| Contact info                                   | <p>Kenya Trade Network Agency (KenTrade)<br/>P.O. Box 00200-36943, Longonot Road, Upper Hill, Embankment Plaza , Nairobi Tel: +254 204 965 000 / +254 709 950 000<br/>Email: <a href="mailto:contactcentre@kentrade.go.ke">contactcentre@kentrade.go.ke</a>, <a href="mailto:complaints@kentrade.go.ke">complaints@kentrade.go.ke</a>.<br/>Website: <a href="http://kentrade.go.ke">kentrade.go.ke</a></p>  |

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| What document do you receive | <p><i>After Export Health application:</i></p> <ul style="list-style-type: none"> <li>■ KESWS submission notification</li> <li>■ Submitted export health certificate</li> <li>■ Valid e-slip</li> <li>■ Go ahead to obtain release – after verification</li> <li>■ Approved export health certificate</li> <li>■ Passed clearance entry stamped by Port Health</li> </ul>   |
| Additional information       | <ul style="list-style-type: none"> <li>■ The trader needs to apply for a unique consignment reference before applying for the export health certificate</li> <li>■ Prior to the inspection and sampling of the consignment, the Port Health inspector will physically verify the consignment against what is declared in the customs entry. The verification is carried out at the exporter's warehouse.</li> </ul> |

## Procedure 12: Obtain Port Release

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| What are the steps involved                    | There is <b>1 step required to obtain the Port Release</b> , as follows:<br>38. Obtain Port Health Release   |
| Which Institutions do you go to                | <ul style="list-style-type: none"> <li>■ Port Health Services Kenya (Kilindini),<br/>P.O. Box 80100-90027, Mombasa 80100<br/>Tel: +254 412 223 209</li> </ul>  |
| Which documents are needed                     | <p><i>To obtain Port Health Release:</i></p> <ul style="list-style-type: none"> <li>■ Passed clearance entry stamped release by KEPHIS (copy)</li> <li>■ Export health certificate (original + copy) - Issued by Port Health Services.</li> <li>■ Food hygiene licence (original + copy) - Issued by Port Health Services.</li> <li>■ Packing list (original + copy)</li> <li>■ Invoice (original + copy)</li> <li>■ Physical presence – of the clearing agent.</li> <li>■ Additionally, for fresh produce - 1. Phytosanitary certificate (original + copy)</li> </ul> |
| What is the legal basis for these requirements | <ul style="list-style-type: none"> <li>■ Food, Drugs and Chemical Substances (General) Regulations, 1978, Section 10</li> </ul>  |
| Fees   | None   |
| Processing time for full task                  | Min. 5min - Max. 10min   |
| Contact info                                   | Port Health Services Kenya (Kilindini), P.O. Box 80100-90027, Mombasa 80100. Tel: +254 412 223 209   |
| What document do you receive                   | <ul style="list-style-type: none"> <li>■ Passed clearance entry stamped by Port Health</li> </ul>  |
| Additional information                         | None   |

## Procedure 13: Obtain Tea Directorate Release

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| What are the steps involved                    | There are <b>2 steps required to obtain the Tea Directorate Release</b> , as follows:<br>39. Declaration of tea on AFA Tea Directorate Portal<br>40. Obtain Release Order  |
| Which Institutions do you go to                | AFA Tea Directorate<br>Agriculture and Food Authority Tea House; Naivasha Road, off Ngong Road<br>P.O. Box 37962 - 00100, Nairobi<br>Tel: +254 722 200 556 / +254 734 600 944  |
| Which documents are needed                     | <i>To declare tea on the AFA Tea Directorate:</i> <ul style="list-style-type: none"> <li>■ Passed clearance entry (copy)</li> <li>■ Commercial invoice (copy)</li> <li>■ Sales contract (copy) between the trader and the buyer in the country of export.</li> <li>■ Additionally, for straight line teas consignments - shipping instructions (copy) from the trader.</li> <li>■ Additionally, for blended teas consignments- Blend sheet (copy)</li> </ul><br><i>To Obtain Release Order:</i> <ul style="list-style-type: none"> <li>■ Passed clearance entry stamped release by Port Health (copy)</li> </ul> |
| What is the legal basis for these requirements | N/A  |
| Fees   | None   |
| Processing time for full task                  | Min. 10mn - Max. 30mn  |
| Contact info                                   | AFA Tea Directorate<br>Agriculture and Food Authority Tea House; Naivasha Road, off Ngong Road<br>P.O. Box 37962 - 00100, Nairobi<br>Tel: +254 722 200 556 / +254 734 600 944<br>Email: <a href="mailto:infotea@afa.go.ke">infotea@afa.go.ke</a><br>Website: <a href="http://tea.agricultureauthority.go.ke">tea.agricultureauthority.go.ke</a>  |
| What document do you receive                   | Successful submission notification from the AFA Directorate<br>Form A - Release order  |
| Additional information                         | Straight line teas are those in their pure form of grade i.e., broken pekoe 1 (BP1), pekoe fanning 1 (PF1), pekoe dust (PD), dust 1 (D1), dust (D) and broken mixed fanning (BMF) while blended teas are a mixture of any two or more grades of tea.   |

## Procedure 14: Obtain KRA Release

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| <p>What are the steps involved</p>     | <p>There are <b>10 steps required to obtain the KRA Release</b>, as follows:</p> <ol style="list-style-type: none"> <li>41. Submit Clearance documents for verification</li> <li>42. Physical verification of Consignment by KRA</li> <li>43. Weighing the Container</li> <li>44. Lodge a Pre-advice</li> <li>45. Obtain KPA invoice and receipt</li> <li>46. Enter the Port</li> <li>47. Obtain position slip</li> <li>48. Scanning of the container</li> <li>49. Obtain KRA release on KWATOS</li> <li>50. Loading of the Container to Vessel</li> </ol>  |
| <p>Which Institutions do you go to</p> | <ul style="list-style-type: none"> <li>■ Kenya Revenue Authority (KRA), Customs &amp; Border Control, Mombasa.<br/>P.O. Box 85745, Mombasa<br/>Tel: +254 (041) 313639<br/>Website: <a href="http://www.kra.go.ke">www.kra.go.ke</a></li> <li>■ Kenya Ports Authority (KPA) Online Portal<br/>Tel: +254 412 112 999 (Ext. 3930).<br/>Email: <a href="mailto:customerfeedback@kpa.co.ke">customerfeedback@kpa.co.ke</a>, <a href="mailto:CustomerCareContaineroperations@kpa.co.ke">CustomerCareContaineroperations@kpa.co.ke</a>.<br/>Website: <a href="https://www.kwatos.kpa.co.ke">https://www.kwatos.kpa.co.ke</a></li> <li>■ For weighing: - Kenya Maritime Authority (KMA)<br/>P.O. Box 80100-95076, Mombasa<br/>Tel: +254 041 231 839 8/9 / +254 724 319 344<br/>Email: <a href="mailto:info@kma.go.ke">info@kma.go.ke</a><br/>Website: <a href="http://www.kma.go.ke">http://www.kma.go.ke</a></li> </ul> <p><i>To obtain KPA Invoice &amp; Receipt:</i></p> <ul style="list-style-type: none"> <li>■ Kenya Ports Authority (KPA), Mombasa<br/>Tel: +254 412 112 999 (Ext. 3930)<br/>Email: <a href="mailto:customerfeedback@kpa.co.ke">customerfeedback@kpa.co.ke</a>, <a href="mailto:customerCareContaineroperations@kpa.co.ke">customerCareContaineroperations@kpa.co.ke</a>.<br/>Website: <a href="http://www.kpa.co.ke">www.kpa.co.ke</a></li> </ul> <p><i>To enter the Port:</i></p> <ul style="list-style-type: none"> <li>■ Kenya Revenue Authority (KRA), Customs and Border Control, Kilindini</li> </ul> <p><i>To obtain position Slip</i></p> <ul style="list-style-type: none"> <li>■ Kenya Ports Authority (KPA)</li> </ul> <p><i>To scan the container:</i></p> <ul style="list-style-type: none"> <li>■ Kenya Revenue Authority (KRA), Customs and Border Control, Kilindini</li> </ul> <p><i>To obtain KRA release of KWATOS</i></p> <ul style="list-style-type: none"> <li>■ Kenya Revenue Authority (KRA) Customs &amp; Border Control (Kilindini Shed 5 Station)</li> </ul> <p><i>Loading Container to Vessel</i></p> <ul style="list-style-type: none"> <li>■ Kenya Ports Authority (KPA)</li> </ul> |

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| Which documents are needed                     | <p><i>To submit clearance documents for verification:</i></p> <ul style="list-style-type: none"> <li>■ Passed clearance entry stamped release by AFA Tea Directorate (copy)</li> <li>■ Phytosanitary certificate (copy) - Obtained from KEPHIS</li> <li>■ Packing list (copy)</li> <li>■ Invoice (copy)</li> <li>■ C41 - Declaration of particulars relating to customs value (copy)</li> <li>■ Information - The clearing agent is required to provide information on the location of the consignment</li> </ul> <p><i>For Physical verification of cargo by Customs &amp; Border Control (KRA):</i></p> <ul style="list-style-type: none"> <li>■ Physical presence - Of the clearing agent, facility operator and the truck driver</li> <li>■ Consignment of Tea to be exported</li> </ul> <p><i>Weighing the container:</i></p> <ul style="list-style-type: none"> <li>■ Sealed Container</li> </ul> <p><i>Lodging a Pre-advice:</i></p> <ul style="list-style-type: none"> <li>■ Shipping order</li> <li>■ Providing consignee details, gross weight (tare, packaging and cargo). The weight of the container must be provided by a company certified by KMA</li> </ul> <p><i>To obtain KPA Invoice &amp; Receipt:</i></p> <ul style="list-style-type: none"> <li>■ Bankers cheque (original)</li> <li>■ Written to Kenya Ports Authority for the correct amount of charges</li> </ul> <p><i>To enter the Port:</i></p> <ul style="list-style-type: none"> <li>■ Passed clearance entry stamped release by Port Health (copy)</li> </ul> <p><i>To Obtain position slip:</i></p> <ul style="list-style-type: none"> <li>■ Passed clearance entry stamped release by AFA Tea Directorate (copy)</li> <li>■ Shipping order (copy) The ship booking number should be valid.</li> <li>■ KPA invoice</li> </ul> <p><i>For Scanning of the container:</i></p> <ul style="list-style-type: none"> <li>■ Consignment of tea"</li> </ul> <p><i>To Obtain KRA release of KWATOS:</i></p> <ul style="list-style-type: none"> <li>■ Passed clearance entry stamped release by AFA Tea Directorate and Port Health Services (copy)</li> <li>■ Signed witnessing form (copy)</li> <li>■ Form A - Release order (copy)</li> <li>■ Invoice (copy)</li> </ul> <p><i>To Obtain KPA stamped position slip in order to load container to vessel:</i></p> <ul style="list-style-type: none"> <li>■ Position slip stamped by KRA (copy). The KPA officer at the specific block will sign the position release slip and indicate the position where the container was offloaded.</li> </ul> |
| What is the legal basis for these requirements | <ul style="list-style-type: none"> <li>■ East African Community Customs Management Act (2004) - Section 73, 75, 195</li> <li>■ East African Community Customs Management Regulations (2010) - Section 89</li> <li>■ KPA tariff book</li> </ul>  |
| Fees   | <p>Costs will depend on the amount being exported, as follows:</p> <ul style="list-style-type: none"> <li>■ For 20FT containers: USD 0 - USD 53 per container for shore handling export charges AND 0 - USD 70 per container for wharfage export charges.</li> <li>■ For 40 FT containers: USD 0 - USD 80 per container for shore handling export charges AND USD 0 - USD 105 per container for wharfage export charges.</li> <li>■ For mobile money, MPESA Paybill number 929929</li> </ul>  |
| Processing time for full task                  | Max. 10min - Min. 30min   |
| Contact info                                   | Various - See section with institutions   |

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| <p>What document do you receive</p> | <p><i>After submission of Clearance documents for verification</i></p> <ul style="list-style-type: none"> <li>■ Passed clearance entry stamped by KRA's receiving officer</li> <li>■ Allocation of a verification officer</li> </ul> <p><i>After physical verification of cargo by Customs &amp; Border Control (KRA)</i></p> <ul style="list-style-type: none"> <li>■ Signed witnessing form</li> <li>■ Stuffed custom sealed container</li> <li>■ KPA invoice</li> <li>■ KPA receipt</li> <li>■ Position slip</li> <li>■ Position slip stamped by KRA</li> <li>■ Position slip signed by KPA</li> </ul>   |
| <p>Additional information</p>       | <ul style="list-style-type: none"> <li>■ The clearance entry is stamped at the back by the head verification officer (HVO) to indicate allocation for verification.</li> <li>■ The time taken to verify the consignment will depend on the size of the consignment, size of container and the mode of stuffing i.e manual or mechanized.</li> <li>■ The verification officer will witness the stuffing (loading) of the container. Upon successful verification, a customs seal is used to lock the container and the verification officer will give the consignment an online release on KRA's SIMBA system. The sealing of the container must be witnessed by the clearing agent, facility operator (representative/owner) and the truck driver. The stuffing facility must be approved by the Commissioner of Customs.</li> <li>■ The container must be weighed to get the gross weight (tare, packaging and cargo) of the container. The weight of the container must be provided by a company certified by Kenya Maritime Authority (KMA).</li> <li>■ The clearing agent is required to indicate the verified gross mass (VGM) application number of the weighing company. The cargo should be delivered within the opening and closing of the yard. This is usually 7 days before the expected time of arrival (ETA) of the vessel. Containers that arrive beyond the closing of the yard will be subject to approval by the shipping line and Kenya Ports Authority (KPA), who will also impose a late acceptance/ documentation fee of USD 100 per container.</li> <li>■ There are different entry points (gates) into the Port. The Customs gate clerk will confirm the Customs seal and container details physically and online and send a message to the KPA gate clerk via an e-mail system.</li> <li>■ Depending on the results of the scan, the consignment will either undergo further verification or be directed to the offloading yard.</li> <li>■ The release on the entry is confirmed online. The verification officer will then give a final export release through KPA's KWATOS system.</li> </ul> |

## Procedure 15: Obtain KPA Release

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| What are the steps involved                    | There is <b>1 step required to Obtain KPA Release</b> , as follows:<br>51. Submit Clearance documents   |
| Which Institutions do you go to                | Kenya Ports Authority (KPA) Mombasa Container Terminal (Kipevu).<br>Tel: +254 (41) 2112999<br>Email: <a href="mailto:customerfeedback@kpa.co.ke">customerfeedback@kpa.co.ke</a> , <a href="mailto:ca@kpa.co.ke">ca@kpa.co.ke</a>  |
| Which documents are needed                     | <ul style="list-style-type: none"> <li>■ Position slip signed by KPA (copy)</li> <li>■ Shipping order (3 simple copies)</li> </ul>  |
| What is the legal basis for these requirements | N/A   |
| Fees   | None  |
| Processing time for full task                  | Min. 5min - Max. 10min  |
| Contact info                                   | Kenya Ports Authority (KPA)<br>P.O. Box 959009- 80104, Mombasa<br>Tel: +254 412 112 999 (Ext. 3930).<br>Email: <a href="mailto:customerfeedback@kpa.co.ke">customerfeedback@kpa.co.ke</a> , <a href="mailto:CustomerCareContaineroperations@kpa.co.ke">CustomerCareContaineroperations@kpa.co.ke</a><br>Website: <a href="http://www.kpa.co.ke">www.kpa.co.ke</a> |
| What document do you receive                   | <ul style="list-style-type: none"> <li>■ Shipping order stamped by KPA</li> <li>■ Position slip stamped by KPA</li> </ul>   |
| Additional information                         | None  |

## Procedure 16: Obtain Export Certificate

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| What are the steps involved                    | There is <b>1 step required to Obtain the Export Certificate</b> , as follows:<br>52. Obtain Export certificate   |
| Which Institutions do you go to                | Kenya Revenue Authority (KRA) Customs & Border Control (Kilindini Shed 5 Station)   |
| Which documents are needed                     | <ul style="list-style-type: none"> <li>■ Passed clearance entry stamped release by Port Health (copy)</li> <li>■ Bill of lading (original) or Certified true copy of the bill of lading (original)</li> </ul> |
| What is the legal basis for these requirements | N/A   |
| Fees   | The certificate of export is issued to the applicant upon request at a cost of USD 5.00 otherwise the department only issues the certificate number.  |
| Processing time for full task                  | Min. 5min - Max. 10min<br>However, processing of the Export Certificate can take up to two (2) days depending on the workload at the exports office.  |
| Contact info                                   | Kenya Revenue Authority (KRA) Customs & Border Control (Kilindini Shed 5 Station), Mombasa  |
| What document do you receive                   | <ul style="list-style-type: none"> <li>■ Export Health Certificate</li> </ul>   |
| Additional information                         | The certificate of export number is a confirmation that the export procedure is complete. The exporter can use it to claim for VAT from the government where applicable.                                      |



# Chapter 4: Tea Import Procedures in the EU

## Overview and Objectives of Chapter 4:

This chapter discusses some of the import procedures in the European Union. While the importer in the EU member country is ultimately responsible for ensuring that the importing requirements have been met, in this Chapter we shall discuss some of the key procedures and requirements where the exporter has a role to play.

Several important points to note in reading this chapter:

- The Chapter assumes that the importing company is already registered in the given EU Member country and has the 'Economic Operator Registration and Identification (EORI) number that required by the Customs Authority in the EU to among others, lodge a customs declaration and make an entry summary declaration (ENS) and an exit summary declaration (EXS)
- The information in the chapter is mainly drawn from the EU Help Desk <https://trade.ec.europa.eu/tradehelp/myexport/?product=0902000000&partner=KE&reporter=DE>
- The chapter contains information that is valid as at 20 August 2020. Procedures and requirements however change. As a rule of thumb, the exporting SME should always check with the importer the current requirements before any shipment is done.

The **key objectives** of this Chapter are:

- To provide the Kenyan tea SME with a consolidated and simplified reference to the mandatory requirements for exporting tea to the EU
- To provide the Kenyan tea SME with an overview of EU coffee market preferences and trends that the SME may tap into
- To provide Kenya's TSIs with a reference point for the requirement SMEs must fulfill in order to tap into the EU Market
- To point the Kenyan tea SMEs and TSIs to sources of credible information on requirements and market preferences for coffee exported to the EU.

Summary of Procedures for Tea Imports into the EU from Kenya:

The figure below depicts the procedures for importing goods into the EU.



Below we elaborate the steps further:

## Step 1: Entry Summary Declaration (ENS)

The ENS is lodged by the carrier of goods entering the customs territory of the EU, in advance of the goods arriving in the EU. For container marine cargo, the ENS should be launched 24 hours before commencement of loading in the foreign load port, while for bulk marine cargo, at least 4 hours before arrival. The ENS can also be lodged by the importer -consignee or a representative of the carrier or importer.

Part of the information that the carrier must include in the ENS comes from documents originated by the exporter: bill of lading and commercial invoices, so it is crucial that these reach the party responsible for the lodging of the ENS in a timely and accurate manner.

The ENS declaration falls within the scope of the Import Control System (ICS) which became fully operational on 1 January 2011, as part of the Security Amendment laid down by Regulation (EC) No 648/2005 of the European Parliament and of the Council.

## Step 2: Customs declaration - SAD (Single Administrative Document)

The placing of the goods under any customs approved treatment or use is done using the Single Administrative Document (SAD), which is a common form for all the EU Member States according to the Union Customs Code and the Transitional Delegated Act (Commission Regulation (EU) 2016/341) whereas a fully electronic customs environment is created.

The SAD can be presented to the customs authorities by the importer or his representative. The representation may be direct, where the representatives act in the name of, and on behalf of, another person; or indirect, where representatives act in their own name but on behalf of another person.

The SAD may be presented either by electronic means directly linked to the customs authorities (each Member State may have its own system); or by lodging it with the designated customs office premises. The declaration must be drawn up in one of the official languages of the EU, which is acceptable to the customs authorities of the Member State where the formalities are carried out.

The main information that shall be declared is:

- Identifying data of the parties involved in the operation (importer, exporter, representative, etc.)
- Custom approved treatment (release for free circulation, release for consumption, temporary importation, transit, etc.)
- Identifying data of the goods (Taric code, weight, units), location and packaging
- Information referred to the means of transport
- Data about country of origin, country of export and destination
- Commercial and financial information (Incoterms, invoice value, invoice currency, exchange rate, insurance etc.)
- List of documents associated to the SAD (Import licenses, inspection certificates, document of origin, transport document, commercial invoice etc.)
- Declaration and method of payment of import taxes (tariff duties, VAT, Excises, etc)

The SAD set consists of eight copies; the operator completes all or part of the sheets depending on the type of operation. In the case of importation generally three copies shall be used: one is to be retained by the authorities of the Member State in which arrival formalities are completed, other is used for statistical purposes by the Member State of destination and the last one is returned to the consignee after being stamped by the customs authority.

### **Documents associated to the SAD**

For tea, the documents that need to be presented together with the SAD are include:

- Documentary proof of origin (Through the certificate of origin)
- Certificate confirming the special nature of the product
- Transport Document
- Commercial Invoice
- Customs Value Declaration
- Inspections Certificates (Health, Plant Health certificates)
- Import Licenses (if applicable)

### **Step 3: Goods are placed under temporary storage situation**

Goods imported into the EU customs territory must be accompanied by a summary declaration, which is presented to the customs authorities of the place where they are to be unloaded. Goods are then placed under the temporary storage situation (not exceeding 90 days in any case), which means that they are stored under customs supervision until they are placed under any of the following customs procedures or re-exported:

#### **Release for free circulation**

Goods are 'released for free circulation' when the conditions relating to importation into the EU have been duly fulfilled (payment of tariff duties and other charges, as appropriate, application of non-tariff commercial policy measures and completion of the other formalities related the import of the goods). Release for free circulation confers on non-Union goods the customs status of 'Union goods'.

Once the mentioned duties as well as the value added tax (VAT) and any applicable excise duties have been paid, goods are 'released for consumption', as they have satisfied the conditions for consumption in the Member State of destination.

#### **Special procedures**

Goods may be placed under any of the following categories of special procedures:

- Transit, which comprises external and internal transit:
  - External transit: non-Union goods may be moved from one point to another within the customs territory of the Union without being subject to import duties, other charges related to the import of the goods (i.e. internal taxes) and commercial policy measures, thereby transferring customs clearance formalities to the customs office of destination.
  - Internal transit: Union goods may be moved from one point to another within the customs territory of the Union, passing through a country or territory outside that customs territory, without any change in their customs status.

- Storage, which comprises customs warehousing and free zones:
  - Customs warehousing: non-Union goods may be stored in premises or any other location authorised by the customs authorities and under customs supervision ('customs warehouses') without being subject to import duties, other charges related to the import of the goods and commercial policy measures.
  - Free zones: Member States may designate parts of the customs territory of the Union as free zones. They are special areas within the customs territory of the Union where goods can be introduced free of import duties, other charges (i.e. internal taxes) and commercial policy measures, until they are either assigned another approved customs procedure or re-exported. Goods may also undergo simple operations such as processing and re-packing.
- Specific use, which comprises temporary admission and end-use:
  - Temporary admission: non-Union goods intended for re-export may be subject to specific use in the customs territory of the Union, with total or partial relief from import duty, and without being subject to other charges like internal taxes and commercial policy measures. This procedure may only be used provided that the goods are not intended to undergo any change. The maximum period during which goods may remain under this procedure is 2 years.
  - End-use: goods may be released for free circulation under a duty exemption or at a reduced rate of duty on account of their specific use.
- Processing, which comprises inward and outward processing:
  - Inward processing: goods are imported into the Union in order to be used in the customs territory of the Union in one or more processing operations, without being subject to import duties, taxes and commercial policy measures. The customs authorities shall specify the period within which the inward processing procedure is to be discharged. Where finished products are not finally exported, these shall be subject to the appropriate duties and measures
  - Outward processing: Union goods may be temporarily exported from the customs territory of the Union in order to undergo processing operations. The processed products resulting from those goods may be released for free circulation with total or partial relief from import duties.

#### Step 4: Inspection of goods under Temporary Storage:

This is a control measure at the point of entry. In addition to undergoing inspections prior to export in the origin country, according to Regulation (EU) 2017/625, food imported into the European Union is subject to potential controls at points of entry. These are performed to ensure that all food introduced into the EU market is safe and complies with all regulations. There are different types of official controls:

- documentary checks or an examination of documents accompanying a consignment
- identity checks to ensure that the accompanying documents match the consignment
- physical checks that may include inspections of packaging or sampling the product for laboratory analysis

These controls may happen at EU borders or even once on the market, but most frequently occur at the point of entry. The laboratory analyses may target pesticide residues, heavy metals or other contaminants. If a shipment is refused for non-compliance with EU legislation, the responsible party of the shipment has three options: a) Destroy the products in question; b) Re-dispatch these products to a non-EU country; or c) Return the products to the originating country.

## Documents for Customs Clearance

### Commercial Invoice:

The commercial invoice is a record or evidence of the transaction between the exporter and the importer. Once the goods are available, the exporter issues a commercial invoice to the importer in order to charge him for the goods. The commercial invoice contains the basic information on the transaction and it is always required for customs clearance.

Although some entries specific to the export-import trade are added, it is similar to an ordinary sales invoice. The minimum data generally included are the following:

- Information on the exporter and the importer (name and address)
- Date of issue
- Invoice number
- Description of the goods (name, quality, etc.)
- Unit of measure
- Quantity of goods
- Unit value
- Total item value
- Total invoice value and currency of payment. The equivalent amount must be indicated in a currency freely convertible to Euro or other legal tender in the importing Member State
- The terms of payment (method and date of payment, discounts, etc.)
- The terms of delivery according to the appropriate Incoterm
- Means of transport

No specific form is required. **The commercial invoice is prepared by the exporter according to standard business practice and it must be submitted in the original along with at least one copy.** In general, there is no need for the invoice to be signed. In practice, both the original and the copy of the commercial invoice are often signed. The commercial invoice may be prepared in any language. However, a translation into English is recommended.

### Customs Value Declaration

The Customs Value Declaration is a document, which must be presented to the customs authorities where the value of the imported goods exceeds EUR 20 000. This form must be presented with the Single Administrative Document (SAD). The main purpose of this requirement is to assess the value of the transaction in order to fix the customs value (taxable value) to apply the tariff duties.

The customs value corresponds to the value of the goods including all the costs incurred (e.g.: commercial price, transport, insurance) until the first point of entry in the European Union. The usual method to establish the Customs value is using the transaction value (the price paid or payable for the imported goods).

In certain cases, the transaction value of the imported goods may be subject to an adjustment, which involves additions or deductions. For instance, the internal transport (from the entry point to the final destination in the Community Customs Territory) must be deducted. The customs authorities shall waive the requirement of all or part of the customs value declaration where:

- the customs value of the imported goods in a consignment does not exceed EUR 20 000, provided that they do not constitute split or multiple consignments from the same consignor to the same consignee, or
- the importations involved are of a non-commercial nature; or
- the submission of the particulars in question is not necessary for the application of the Customs Tariff of the European Communities or where the customs duties provided for in the Tariff are not chargeable pursuant to specific customs provisions.

## Freight Documents (Transport Documentation)

Depending on the means of transport used, transport documents are filled in and presented to the customs authorities of the importing European Union (EU) Member State upon importation in order for the goods to be cleared.

For goods transported by sea, the transport document is the Bill of Lading, which is a document issued by the shipping company to the operating shipper, which acknowledges that the goods have been received on board. In this way the Bill of Lading serves **as proof of receipt of the goods by the carrier obliging him to deliver the goods to the consignee**. It contains the details of the goods, the vessel and the port of destination. It **evidences the contract** of carriage and conveys **title to the goods**, meaning that the bearer of the Bill of Lading is the owner of the goods.

## Freight Insurance

The insurance is an agreement by which the insured is indemnified in the event of damages caused by a risk covered in the policy. Insurance is all-important in the transport of goods because of their exposure to more common risks during handling, storing, loading or transporting cargo, but also to other rare risks, such as riots, strikes or terrorism.

There is a difference between the goods transport insurance and the carrier's responsibility insurance. The covered risks, fixed compensation and indemnity of the contract of transport insurance are left to the holder's choice. Nevertheless, the hauler's responsibility insurance is determined by different regulations. Depending on the means of transport, indemnity is limited by the weight and value of the goods and is only given in case the transporter has been unable to evade responsibility.

The insurance invoice is required for customs clearance only when the relevant data do not appear in the commercial invoice indicating the premium paid to insure the merchandise.

## Packing List

The packing list (P/L) is a commercial document accompanying the commercial invoice and the transport documents. It provides information on the imported items and the packaging details of each shipment (weight, dimensions, handling issues, etc.) It is required for customs clearance as an inventory of the incoming cargo. The generally included data are:

- Information on the exporter, the importer and the transport company
- Date of issue
- Number of the freight invoice
- Type of packaging (drum, crate, carton, box, barrel, bag, etc.)
- Number of packages
- Content of each package (description of the goods and number of items per package)
- Marks and numbers
- Net weight, gross weight and measurement of the packages

No specific form is required. The packing list is to be **prepared by the exporter according to standard business practice and the original along with at least one copy must be submitted.** Generally, there is no need to be signed. However, in practice, the original and the copy of the packing list are often signed. The packing list may be prepared in any language. However, a translation into English is recommended.



## Chapter 5: Export Support Facilities

The Kenyan government is committed to increasing exports from Kenya as an avenue to attain the goals of Vision 2030. Several organisations play various role in actualising this goal. In this Chapter, we shall list organisations in Kenya, as well as those outside of Kenya that may be of interest to an SME.

### Key Export Support facilities in Kenya:

- **Kenya Export Promotion & Branding Agency (KEPROBA):** an agency under the State Department for Trade, Ministry of Industry, Trade and Enterprise Development, KEPROBA's role includes providing market intelligence on various export markets, as well as capacity building for SMES. <https://brand.ke/> Website!
- **AFA Tea Directorate:** is the regulatory body for the tea sector and officially the lead on all matters tea. <https://tea.agricultureauthority.go.ke/>
- **Pest Control and Produce Board (PCPB):** monitors the pesticides being used in the country, as well as informs tea farmers and stakeholders about banned ones. <http://www.pcpb.go.ke/>
- **KEPHIS:** responsible for all matters SPS, KEPHIS also inspects premises and issues the sanitary and phytosanitary certificate. <https://www.kephis.org/>
- **The Kenya Tea Development Agency (KTDA) Ltd:** incorporated as a private company on July 1st 2000 to take over the role and functions of the former Kenya Tea Development Authority, advises smallholder tea farmers on the best method of tea growing, collects green leaf, processes and markets the tea on their behalf. <https://ktdateas.com/>
- **Kenya Tea Grower's Association:** focuses on the interests of tea growers by promoting compliance with local and international standards for certification and ensuring that growers earn decent incomes. <https://ktga.or.ke/>
- **ITC Quality Compass:** provides comprehensive and very detailed requirements about the quality requirements for exporting tea to the EU, both mandatory and voluntary. <https://www.intracen.org/news/Trade-Compass-Moroccans-model-good-trade/>
- **EnCert:** the national body responsible for issuing organic certification to tea producers. <http://www.encert.co.ke/>
- **Tea Research Institute:** took over the functions of the TRFK to promote research in yields, quality and sustainability in tea planting as well as investigating problems associated with tea planting. [https://www.kalro.org/Tea\\_Research\\_Institute](https://www.kalro.org/Tea_Research_Institute)
- **East African Tea Trade Association:** provides support to tea producers, brokers, packers, buyers and warehouses by bringing them together to promote the best interests of Tea Trade in Africa. <https://eatta.com/> ...

### Key Support facilities in Importing Markets

- **International Trade Centre:** a UN agency dedicated to supporting SMEs to export, the ITC provides market analysis tools; builds capacity of SMEs and supports policy advocacy among a host of other SME focused services. ITC also runs several programmes that SMES may be interested in joining, among them SheTrades and WEDF. <https://www.intracen.org/>
- **CBI:** the Centre for the Promotion of Imports from developing countries, is part of the Netherlands Enterprise Agency and is funded by the Netherlands Ministry of Foreign Affairs dedicated to increasing exports to the EU. CBI produces regular market reports on specific markets in the EU and specific products. CBI also works with trade promotion organisations. <https://www.cbi.eu/>

- **EU Pesticide Database:** the database contains details of all allowed pesticides, as well as those that are banned. <https://ec.europa.eu/food/plant/pesticides/eu-pesticides-database/public/?event=homepage&language=EN>
- **The Codex Alimentarius Commission (CAC):** maintains a pesticide database that outlines MRLs for different foods and food categories. Countries sometimes refer to this database in lieu of establishing their own MRLs within food safety regulations.
- **EU Export Health Desk:** provides product specific requirements, as well as import related procedures. [https://trade.ec.europa.eu/doclib/docs/2016/september/tradoc\\_154923.pdf](https://trade.ec.europa.eu/doclib/docs/2016/september/tradoc_154923.pdf)
- Fairtrade: provides specific Fairtrade standards that the environment is protected and that worker rights are upheld. <https://www.fairtrade.net/>
- **International Speciality Tea Association:** contains standards for various issues, including standards for Specialty Tea — Plucking and Leaf Uniformity. Read more on <https://specialtyteaassociation.org>
- **Tea and Herbal Infusions Europe (THIE):** provides several guidelines that protect the interests of tea producers and traders within the EU. <https://www.thie-online.eu/>
- **UTZ/ Rainforest Alliance:** provides product specific codes of conduct that ensure sustainable tea production using environment and worker-friendly techniques. <https://utz.org/who-we-are/about-utz/>