SCHEDULE

[Section 8]

EXPLANATORY MEMORANDUM

TO

THE TEA (REGISTRATION AND LICENSING) REGULATIONS, 2026

PART I

Name of the Statutory Instrument:	The Tea (Registration and Licensing) Regulations, 2026
Name of the Parent Act:	The Tea Act No. 23 of 2020
Enacted Pursuant to:	Section 74 of the Tea Act No. 23 of 2020
Name of the Ministry/Department:	Ministry of Agriculture and Livestock Development
Gazetted on:	2nd April 2026
Tabled on:	

PART II

1. Purpose of the Statutory Instrument

The Tea (Registration and Licensing) Regulations 2026, made under Section 74 of the Tea Act 2020, provide a framework for the registration and licensing of tea factories, tea growers of all scales, commercial tea nurseries, commercial green leaf transporters, and tea dealers. The Regulations outline procedures for registering tea industry stakeholders and licensing tea manufacturers, as well as the terms and conditions governing such registrations and licenses. They also require the filing of tea-related returns. Additionally, the Regulations prescribe the fees payable under the Act and any subsidiary regulations.

Overall the regulations are designed to bring order, accountability, and transparency across the tea value chain by establishing a structured system for registration, licensing, and compliance within the tea industry in Kenya.

2. Legislative Context

Licensing and registration have been central to the development of Kenya's tea industry since the colonial period, evolving through various legal instruments, including the Tea Ordinances of 1934 and 1948, the Tea Act (Cap 343), and subsequent reforms under KTDA and TBK. Over the decades, reforms such as the privatization of KTDA, the Task Force Reports of 2007 and 2016, and agricultural sector legislative harmonization sought to improve governance, processing capacity, research, and stakeholder participation. Despite these reforms, challenges persisted, including inadequate regulation, conflicting roles among agencies, and limited operationalization of the Tea Act 2020. The Tea (Registration and Licensing) Regulations 2026 are therefore being introduced to operationalize the Tea Act 2020 by providing clear procedures for registration and licensing of tea sector actors, ensuring compliance, promoting efficient management, and supporting the continued development and modernization of the Kenyan tea industry.

3. Policy Background

The tea industry remains a vital pillar of Kenya's socio-economic development, supporting over 600,000 growers and more than 6.5 million people along the value chain. Despite its importance, the sector faces multiple structural challenges, including high production costs, low value addition, limited product diversification, climate change impacts, declining tea quality, increased competition in global markets, land fragmentation, and emerging threats such as cheap imports, pests, diseases, and tea hawking. In addition, the Tea Board of Kenya (TBK) and its technical arm have long suffered from inadequate government funding, worsened by the declining implementation of commitments such as the Maputo Declaration. TBK continues to offer essential regulatory and promotional services despite chronic underfunding, resulting in weakened surveillance, reduced quality monitoring, and insufficient investment in research, marketing, and product development. These weaknesses threaten Kenya's global competitiveness, especially considering that countries like Sri Lanka earn significantly more per kilogram of exported tea despite lower export volumes.

A major concern has been the rise of illegal tea hawking, which undermines factory efficiency, compromises green leaf quality, denies farmers bonus earnings, and exposes consumers to unsafe transportation and handling practices. At the same time, increased tea production demands market diversification, stronger promotional strategies, and robust quality assurance mechanisms. Kenya's low domestic consumption rate (9%) and exposure to cheap, low-quality imports further threaten market stability. These issues point to the urgent need for a regulatory system that ensures traceability, adherence to hygiene standards, fair trade practices, and the protection of Kenya's reputation for high-quality tea.

Within this context, Kenya's Constitutional framework, particularly its provisions on public participation, devolution, and national-county cooperation, guides the development of sector regulations. The Tea Act 2020 serves as the primary legislation for the regulation, promotion, and development of the industry, mandating TBK to register and license growers, factories, warehouses, packers, brokers, exporters, transporters, nurseries, and other actors. The proposed Tea (Registration and Licensing) Regulations 2026 operationalise these mandates by establishing clear, enforceable procedures for registration and licensing, setting compliance standards, and enabling the Board to maintain accurate registers for effective oversight.

Other legal and policy frameworks reinforce the need for these Regulations. The Standards Act, Weights and Measures Act, Food, Drugs and Chemical Substances Act, Public Health Act, Pest Control Products Act, Plant Protection Act, Anti-Counterfeit Act, and Trade Descriptions Act collectively ensure product quality, consumer safety, accurate labelling, pest management, authentic products, and hygienic handling requirements that are strengthened through mandatory licensing and registration. County governments, through CIDPs and sector-specific legislation, complement these efforts by implementing agricultural programmes within their jurisdictions.

National development policies such as Vision 2030, the Agricultural Policy 2021, the Agricultural Sector Transformation and Growth Strategy (ASTGS), the Climate-Smart Agriculture Strategy, and the Bottom-Up Economic Transformation Agenda (BETA) all emphasise value addition, market diversification, climate resilience, farmer incomes, and modernization of key value chains, including tea. International and regional trade agreements (EAC, COMESA, AU, WTO) further necessitate strict standards, traceability, and conformity, especially regarding exports and imports. Taken together, these challenges and policy demands underscore the urgent need for the Tea (Registration and Licensing) Regulations 2026. The Regulations provide the mechanism to strengthen governance, ensure compliance with quality and safety standards, curb illegal practices such as tea hawking, enhance traceability, generate additional revenue to fund TBK's critical functions, and support Kenya's ambition to remain a globally competitive leader in the tea industry.

4. Consultation Outcomes

Section 5 of the Statutory Instruments Act, 2013 requires a regulation-making authority to undertake appropriate consultations with persons likely to be affected by a proposed statutory instrument. Section 5(3)(a) obliges the authority to notify, either directly or through public advertisements, bodies, organisations, and representatives of affected persons before issuing the instrument.

In compliance with these requirements, the Ministry of Agriculture and Livestock Development, together with the Tea Board of Kenya (TBK), conducted extensive stakeholder engagement and public participation exercises to allow meaningful input into the development of the Tea (Registration and Licensing) Regulations 2026. The Ministry held targeted consultations with key stakeholders, including national government ministries, state agencies, research institutions, private sector actors, and tea value-chain representatives, as well as broader public participation forums across several counties.

Between 9 December 2024 and 18 March 2025, the TBK convened eleven consultative forums in Nairobi, Murang'a, Kericho and Mombasa. These workshops brought together diverse participants, including tea growers, tea grower representatives, cooperative societies, retailers, tea factories, buyers/exporters, importers, warehouseman, management agents, packers, brokers, commercial green leaf transporters, county governments, the Council of Governors, state departments, the private sector, and research institutions. From 29 January to 1 February 2025, the Authority also presented the outcomes of the public participation process to intergovernmental committees through JASSCOM and SWAG PLS and incorporated comments received.

Records from the public forums demonstrate extensive deliberations on issues raised by tea industry stakeholders and the public, who were given full access to review and analyse the draft regulations and to present their views. Evidence shows that TBK collated, reviewed, and integrated the feedback from these consultations into the revised draft Regulations, thereby fulfilling the statutory requirements for public participation.

National Government–Level Consultations

Consultations were conducted with representatives of various national government agencies and state departments under the Ministry of Agriculture and Livestock Development, including the Tea Board of Kenya (TBK) and the Tea Research Institute under Kenya Agricultural and Livestock Research Organization (KALRO).

County Government/Local-Level Consultations

The Ministry, in collaboration with TBK, convened multiple public participation workshops across four counties Nairobi, Murang'a, Kericho, and Mombasa to ensure broad regional representation.

- Nairobi (9 December 2024): Attended by tea growers, tea factories, tea packers, buyers/exporters, importers, representatives from MOALD, the Institute of Certified Secretaries (ICS), MMK, KTDA, Bahari Chai, and farmers.
- Murang'a (10–11 December 2024): Attended by MOALD, TBK, and tea farmers from numerous factories, including Kimunye TF, Kiegoi TF, Imenti TF, Kinoro Tea Factory, Kionyo Tea Factory, Githongo TF, Gatunguru TF, Ikumbi TF, Thumaita TF, Makomboki TF Kanyenyaini TF, Githambo TF, Rukuriri, Mununga TF, Mungania TF, Kathangariri TF, Kangaita TF, Ndima TF, Kagwe TF, Thumaita TF, Kambaa TF, Ngere TF, Nduti TF, Theta TF, Horera Forest Edge TF, Githongo TF, and Gacharage TF, Gathuthi TF, Ragati TF, Gitugi TF, Iriani TF, Chinga TF among others.
- Kericho (16–17 December 2024): Attended by representatives from Kericho, Bomet, Nyamira, Kisii, Nandi, Narok, Vihiga, Trans Nzoia and Kakamega counties. Participants included MOALD, TBK, MMK, KTGA, Kipsigis Highland Cooperative Society, Bowns Plantation, KTDA, KALRO, ICS, and tea farmers from factories such as Taiwet TF, Litein TF, Kebirigo TF, Rorok TF, Toror TF, Kapset TF, Kapkoros TF, Momul TF, Eastern Produce, Browns Plantations, Kipkebe TF, Evergreen TF, Bureti TF, Mbogo Valley TF, Kaisugu TF, Tombe TF, Sanganyi TF TF, Nyankoba TF, Mudete TF, Kabianga TF, Ogembo TF, Nyamache TF, Sotik TF, Mogogosiek TF and Nyansiongo TF, Nyamache TF, Eberege TF. Ndarawetta TF, Tirggaga TF, Kapkatet TF, Mogogosiek TF among others.
- Mombasa (22–23 January 2025): Attended by representatives from Lamu and Tana River counties. Attendees included MOALD, TBK, KTDA, KTGA, ITPAK, TRI, EATTA, numerous tea factories, brokers, packers, buyers/exporters, importers, warehousemen, logistics providers and private-sector entities such as Global Tea, Choice Tea Brokers,

Capital Tea, Eastern Produce Kenya (EPK), Mogogosiek Tea Factory, Almasi Chai, Waso Tea, Empire Kenya EPZ Ltd, Prudential Tea Brokers, Kipkebe Ltd (Sasini), Chai Trading, Lipton Teas Empire Teas, SSOE Ltd Tea Brokers East Africa, iTea, United Warehouse and many others.

- Nakuru (18 March 2025): Attended by representatives from tea-growing counties including Nyamira, Bomet, Nakuru, Kirinyaga, Kisii, Murang'a, Nyeri, Kiambu, Nandi, Tharaka Nithi and Meru.
- Nairobi (13th and 14th October 2025) attended by tea farmers, tea factories, tea packers, buyer/exporters, importers, brokers, warehousemen, management agents, auction organizer, commercial green leaf transporters, commercial tea nursery operators, representatives from KTDA, KTGA, ITPAK and EATTA.

Research and Academia

Specialised input was sought from research institutions, including KALRO-Tea Research Institute (TRI) to ensure scientific and technical considerations were incorporated into the draft regulations.

Private Sector Engagement

The Ministry and TBK also held targeted consultations with tea farmers, tea growers' associations, tea factories, cooperative societies, marketing organisations, packers, who provided substantive feedback that was used to strengthen the draft regulations.

Key Outcomes of Stakeholder Consultations

1. Licensing Authority and Processes

Stakeholders questioned the role of the Inter-Governmental Licensing Committee and sought clearer, streamlined licensing procedures. They also raised concerns about acreage requirements and factory proximity to curb unplanned factory proliferation.

2. Registration of Growers and Data Management

Issues were raised regarding verification responsibilities, the sharing of farmer data with counties, the creation of a national grower database, and the duplication of registration efforts by factories.

3. Appeal and Fair Hearing Mechanisms

Stakeholders requested clear mechanisms for appeal when applications are rejected and sought guarantees of fair hearing in cases of suspension, revocation, or variation of registration.

4. Quality Assurance and Standards Compliance

Concerns included ensuring quality control of teas packed by street vendors, flexibility in vehicle tonnage requirements, and the need for clear standards, including transition periods for compliance with green-leaf quality guidelines.

5. Oversight of Transfers, Ownership and Commercial Transactions

Stakeholders challenged requirements to notify TBK of ownership transfers, arguing that they constitute potential overregulation, privacy concerns, and restrictions on free-market transactions.

6. Reporting, Returns and Administrative Burden

Concerns were raised about the frequency and timelines for submitting statistical returns, as well as the volume of information required in some registration forms.

7. Market Structure, Governance and Industry Sustainability

Stakeholders discussed the need for more tea buyers/exporters to promote competition, enforcement against tea hawking, and the development of comprehensive environmental and social standards to harmonize industry practices.

Assessment of Adequacy of Stakeholder Participation

The Ministry conducted extensive national, county-level, and sector-specific consultations that met the requirements of Section 5 of the Statutory Instruments Act, 2013. Public participation workshops were held across four counties: Nairobi, Murang'a, Kericho, Nakuru and Mombasa. They drew participants from 20 tea-growing counties, including Kericho, Nyamira, Kisii, Nandi, Nyeri, Narok, Vihiga, Trans Nzoia, Bomet, Nakuru, Kirinyaga, Murang'a, Embu, Kiambu, Tharaka Nithi, Meru, and Kakamega. The validation workshop was held in Nairobi.

Attendance records demonstrate that the Ministry proactively identified, reached out to, and engaged a broad spectrum of stakeholders, including tea farmers, tea factories cooperative societies, buyers/exporters, importers, packers, brokers, management agents, warehousemen, auction organizers, county governments, national government agencies, and private sector actors. The records further show that participants were given adequate opportunity to read, analyse, and comment on the draft Regulations. The Ministry and the Board responded to questions raised in each session, and all feedback was collated, reviewed, and recorded in the stakeholder matrix.

Analysis of Consultation Outcomes

A review of the stakeholder matrix and deliberations across the 11 consultative forums reveals the following overall trends:

1. Level of Support for the Proposed Regulations

- Approximately 69% of stakeholders supported the Regulations, particularly provisions aimed at:
  i. strengthening registration and licensing;
  ii. enhancing quality control;
  iii. addressing tea hawking;
  iv. improving traceability;
  v. introducing structured oversight mechanisms.
- About 31% expressed objections or requested amendments, mainly relating to:
  i. perceived over-regulation;
  ii. concerns about duplication of county and national roles;
  iii. fear of bureaucratic burdens on private sector actors;
  iv. concerns about disclosure of commercial information;
  v. transitional challenges for existing operators.

2. Reasons for Support

Stakeholders in favour of the Regulations cited:

i. the need to curb tea hawking and protect farmers' incomes;
ii. the need for consistent and enforceable quality standards;
iii. the need to modernize the regulatory framework as required by the Tea Act, 2020;
iv. improved traceability for international market compliance;
v. improved data collection for planning and enforcement;
vi. protection of Kenya's global tea reputation and competitiveness.

3. Reasons for Objections

Stakeholders who objected raised the following concerns:

i. fears that some provisions may duplicate the roles of existing agencies (e.g., Competition Authority, CMA);
ii. concerns about over-regulation and increased bureaucracy, especially for brokers, packers, and management agents;
iii. objections to mandatory disclosures (seen as interfering with privacy and commercial autonomy);
iv. logistical and cost challenges in meeting new compliance requirements (e.g., land size, quality standards);
v. discomfort with restrictions that may appear to limit market freedom.

4. Responsiveness of the Drafting Team

The Ministry and TBK demonstrated high responsiveness to stakeholder concerns:

a) 65% of proposals were adopted, either fully or partially.

b) Amendments were made to:

   i. remove ultra vires provisions;

   ii. delete or modify restrictive clauses;

   iii. harmonize requirements with the Tea Act, Constitution, and Fair Administrative Action Act;

   iv. ensure compliance with devolved functions under the Constitution;

   v. introduce transitional clauses to avoid retrospective application.

Unadopted proposals were clearly justified, primarily where:

i. They contradicted statutory requirements;

ii. They were already addressed in other regulations.

iii. They involved information necessary for national planning;

iv. They risked undermining public interest or food safety standards.

Overall, the public participation process was compliant with constitutional and statutory requirements. Stakeholder views were meaningfully considered, resulting in material improvements to the draft Regulations.

5. Guidance

Once the Tea Registration and Licensing Regulations 2026 are finalized, they will be published in the *Kenya Gazette* to give them legal effect and formally notify all stakeholders, including tea growers, factories, packers, brokers, and the public.

The Tea Board of Kenya, together with the Ministry of Agriculture and Livestock Development, will conduct awareness campaigns through stakeholder workshops, circulars, and digital platforms to explain the registration and licensing requirements, procedures, and timelines.

TBK will issue clear guidelines on application processes, verification of tea growers, license issuance, and compliance monitoring. Digital systems will be used to facilitate registration, licensing, and reporting. Compliance will be enforced through inspections, audits, and penalties for non-compliance, while support and capacity-building will be provided to ease adherence and ensure smooth implementation across the sector. Continuous feedback mechanisms will be maintained to ensure smooth implementation and address operational challenges promptly.

8. Impact

6.1 Impact on Fundamental Rights and Freedoms

The proposed Regulations will have significant implications for fundamental rights and freedoms, primarily by strengthening consumer protection, promoting fair administrative action, access to justice and enhancing access to information. Through structured registration and licensing, inspections, and adherence to national and international standards, the Regulations support the constitutional right to safe and high-quality products. However, the requirement for extensive personal data submissions by tea growers, transporters, and industry actors necessitates strict compliance with the Data Protection Act to safeguard the right to privacy. Overall, the Regulations enhance accountability and transparency while requiring corresponding investments in data protection mechanisms.

6.2 Impact on the Private Sector

For the private sector, the Regulations promise better services, improved quality control, access to research and innovations, expanded market opportunities, and growth in value addition and speciality teas, ultimately supporting higher returns and job creation. Enhanced regulation will also reduce unfair practices such as tea hawking and illegal tea imports. Nonetheless, the Regulations will raise operational costs through levies and compliance requirements, which may increase consumer prices and reduce domestic tea uptake. Some provisions may be perceived as restrictive to free trade, and the increased cost of imported speciality teas could limit availability in the local market. Despite these challenges, the long-term benefits of improved quality assurance, market diversification, and strengthened sector governance are expected to enhance the sustainability and competitiveness of Kenya's tea industry.

6.3 Impact on the Public Sector

In the public sector, the Regulations will establish a coherent and enforceable framework to govern all actors across the tea value chain, thereby improving planning, monitoring, surveillance, enforcement, and compliance with quality standards. Increased revenue from levies and fees will strengthen the Board's capacity to regulate the sector, reduce dependence on the National Treasury, support research, improve infrastructure, and expand market development initiatives. These changes are expected to enhance tea quality, increase value addition, diversify markets, and improve foreign exchange earnings. However, additional resources will be required to operationalise the Regulations, and higher levies may raise the cost of Kenyan tea internationally, potentially affecting market competitiveness.

9. Monitoring and Review

Monitoring, Evaluation, and Learning (MEL) are central to assessing the effectiveness, efficiency, and adequacy of the Tea (Registration and Licensing) Regulations, 2026. Effective MEL enables continuous regulatory implementation improvement, supports evidence-based decision-making, and enhances institutional accountability. By embedding strong M&E mechanisms, the Ministry and the Tea Board of Kenya (TBK) can determine whether the Regulations achieve their objective of improving tea quality, strengthening governance, ensuring compliance, and enhancing the competitiveness and sustainability of the tea sector. A periodic review of the Regulations, guided by data, stakeholder feedback, inspection outcomes, and market trends, will ensure continued alignment with national goals and international best practices.

Given stakeholder interest in issues of tea quality, export competitiveness, sector governance, and market expansion, the effective implementation of these Regulations is expected to improve assurance of quality Kenyan tea, strengthen licensing oversight, and enhance consumer protection both locally and internationally. Registration and licensing will create a verified database of actors across the value chain, which is critical for traceability, market development, and regulatory enforcement. To ensure the Regulations achieve these outcomes, TBK has established comprehensive mechanisms for monitoring and evaluation, each tied to measurable indicators to track progress and support necessary adjustments.

i. Inspection and Compliance Enforcement

Crop inspectors appointed by TBK will conduct routine and risk-based inspections across the value chain to enforce compliance.

Indicators:

- Number of inspections conducted per quarter.
- Percentage of inspected entities found compliant with registration and licensing requirements.
- Number of enforcement actions taken (warnings, sanctions, remedial orders).
- Reduction in cases of illegal manufacturing, trading, or hawking of tea annually.

ii. Quality Analysis of Made Tea

TBK will conduct periodic quality analysis of made tea to ensure compliance with national and international standards.

Indicators:

- Percentage of sampled tea batches meeting quality benchmarks.

- Frequency of quality analysis reports produced annually.
- Reduction in rejected tea consignments at export points.

iii. **Surveillance Inspections**

Regular surveillance of production, processing, grading, storage, transport, and warehousing will ensure adherence to standards and detect non-compliance early.

Indicators:

- Number of surveillance missions conducted.
- Percentage of factories complying with Green Leaf Quality Guidelines.
- Number of corrective action notices issued and resolved.

iv. **Licensing and Renewal Transparency**

Requiring audited financial statements for renewal of key licenses promotes accountability and transparency.

Indicators:

- Percentage of license renewal applications with complete audited financials.
- Number of licenses renewed, suspended, or revoked due to non-compliance.

v. **Revocation, Suspension, or Variation of Licenses**

TBK will take regulatory action against non-compliant actors to ensure adherence to standards and laws.

Indicators:

- Number of revocation/suspension cases initiated and concluded.
- Time taken to conclude administrative actions.
- Reduction in repeat offences by licensed actors.

vii. **Maintenance of Importer and Exporter Registers**

TBK will maintain real-time registers of licensed exporters and importers to ensure only authorized persons participate in trade.

Indicators:

- Completeness and accuracy of the importer/exporter register.
- Number of unlicensed traders identified and penalized annually.

viii. **Publication of Licensing Information in the Kenya Gazette**

Gazetting licenses enhances transparency and public access to regulatory decisions.
Indicators:

- Number of Gazette notices published annually.
- Public access rate (requests or downloads of licensing information).

ix. **Verification of Valid Licenses Across Value Chain**

TBK will ensure that all growers, tea factories, commercial green leaf transporters, tea traders, packers, exporters, and importers are properly registered or licensed as the case may be.
Indicators:

- Percentage of actors with valid licenses.
- Number of detected cases involving expired or fraudulent licenses.
- Reduction in unlicensed trade activities.

x. **TBK Capacity and Responsiveness**

TBK will ensure adequate staffing, technical resources, and inspection capacity to enforce the Regulations.
Indicators:

- Inspector-to-entity ratio.
- Response time to complaints and enforcement reports.
- Number of TBK staff trained annually on regulatory enforcement.

xi. **Inter-Agency Collaboration**

TBK will collaborate with agencies such as KPA, KENTRADE, KRA, KeBS, and county governments to strengthen quality assurance, data sharing, and oversight.

Indicators:

- Number of joint inspections or operations conducted.
- Integration of systems for data sharing (e.g., with KENTRADE).
- Reduction in illegal or substandard tea consignments detected at ports.

Outcome-Level Indicators (Impact Indicators)

To assess whether the Regulations achieve their long-term objectives, the following indicators will be tracked:

i. Increase in compliance levels across the tea value chain.
ii. Improvement in Kenyan tea prices in export markets.
iii. Reduction in quality-related consumer complaints.
iv. Increase in volumes of branded, specialty, and value-added teas.
v. Reduction in illegal tea trade and hawking activities.
vi. Increase in foreign exchange earnings from tea exports.
vii. Increased number of export markets for Kenyan tea.
viii. Improvement in sector-wide data accuracy and traceability.

10. Contact

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Annexures

Annex 1: Public participation matrix capturing stakeholder feedback and how it has been incorporated into the final regulations, notices for public participation and attendance registers.
Annex 2: Regulatory Impact Statement (RIS) outlining the impact of the proposed regulations.