

Fairtrade Tea – economic security for farmers

Tatepa / CDC

CDC has had a long relationship with Tanzania Tea Packers (Tatepa). It first helped found the company along with the Tanzanian Venture Capital Fund in 1995, and was instrumental in bringing Tatepa to market on the Dar es Salaam Stock Exchange in 1999, the first private company to be listed. In January 2006 CDC's US\$3 million holding in the company was transferred to the new US\$100 million Actis Africa Agribusiness Fund.

Tatepa's Chai Bora tea is Tanzania's biggest-selling brand and the company now controls around 55 per cent of the country's tea market and provides employment to 27,000 people (including outgrowers). As one of Africa's poorest nations, prone to drought and with more than a third of its population living below the poverty line, Tanzania presents a particularly challenging trading environment for business.

Despite this the economy has been enjoying growth rates of close to 7 per cent in recent years and Tatepa itself has been growing steadily, winning Fairtrade accreditation and an agreement with Café Direct to supply black tea from the estates with their Teadirect brand. Obtaining Fairtrade status benefited local communities by giving some degree of economic stability in a volatile commodities market.

The Fairtrade premium of US\$0.50 for every kilogram of Teadirect tea sold has gone towards the Teadirect Premium Fund which has helped finance local projects, such as new schools, text books, and health centres. Tatepa runs an extensive HIV/AIDS education and training programme throughout local communities.