

Unilever: Sustainable tea growing

Working with African small holders to farm more sustainably offers a win-win for both development and the environment. But despite the premium of selling direct to major international brands, hundreds of thousands of tea farmers in Kenya, for example, see little incentive in paying for and implementing technically advanced and sustainable growing practices. They are understandably dissuaded by the low international price for tea. As such, they have limited knowledge of tools to assess soil health and fertility and best practices for handling herbicides & fertilizers.

Moreover, the lack of direct contact between farmers and customers means growers have little understanding of consumer requirements. On the demand side, this means the likes of Lipton, a subsidiary of Unilever, buys the vast majority of its tea produced by Kenyan smallholder farmers through the Mombassa tea auctions. However, Lipton is keen to enter into more direct contracts with smallholder owned tea factories, provided that the tea is of sufficient quality to meet high environmental and ethical standards.

In January 2005, the BLCF awarded Lipton and its Kenyan partners a grant of around £500,000 against a private sector commitment of £673,000. The funds are being used by Lipton and the Kenyan Tea Development Agency (KTDA) to improve efficiency at five selected small-holder owned KTDA factories. In parallel, the KTDA Agricultural section is rolling out training and transferring skills starting with its own officials who in turn train a core group of farmers within each of the five KTDA zones. Economies of scale are realised when five zones conduct the same training and dissemination within their own zone in order to redress the coordination failure that exists among growers.

While still in its early stages, the linkages between farmers, local factories and Lipton are being successfully put in place. It is anticipated that by the project's end, yields per hectare will have increased by up to 10% as fertilizer use declines. If successfully scaled up across the remaining KTDA factories, the project could enhance the income of 400,000 Kenyan farmers and up to 600,000 casual workers.