

Munya digs in on KTDA price as buyers reject teas offered for sale

Tuesday July 20 2021 | By GERALD ANDAE

Agriculture Cabinet Secretary Peter Munya has said the reserve price set for the purchase of KTDA produce will not be reversed.

IN SUMMARY

Mr Munya said the government has secured enough warehouses to store the produce until that time when the price will be in favour of the farmers.

week Mr Munya set Sh183 as the minimum price that that traders would be allowed to pay for KTDA teas following a streak of poor prices at the Mombasa auction, saying the move was aimed at safeguard farmers' earnings.

Agriculture Cabinet Secretary Peter Munya has said the reserve price set for the purchase of Kenya Tea Development Agency (KTDA) produce will not be reversed despite buyers rejecting over half of the commodity offered for sale last week.

Mr Munya said the government has secured enough warehouses to store the produce until that time when the price will be in favour of the farmers.

Last week Mr Munya set Sh183 as the minimum price that that traders would be allowed to pay for KTDA teas following a streak of poor prices at the Mombasa auction, saying the move was aimed at safeguard farmers' earnings.

The minimum price saw buyers hesitate buying KTDA teas as they opted for cheaper beverage from multinationals and private producers, a move that saw slightly over seven million kilogrammes of the commodity taken out of trading floor.

“We are not going to yield to pressure. The tea will be withdrawn from the auction until that time when the minimum price will be met,” said Mr Munya.

The CS said KTDA has put in place measures to ensure farmers are not affected by disruption at the market as the agency has enough resources to guarantee growers monthly income and other needs to support their farming.

“KTDA has in place contingency measures to help farmers if traders will not offer the price that we want,” he said.

According to the ministry, the cost of producing a kilo of the beverage stands at Sh183, but tea has been fetching an average of Sh167 a kilogn the last two months.

“I am certain that the teas not sold in last week's auction remain ready to be moved to the markets at the right price,” Mr Munya said.

Speaking when he met the private tea producers in Nairobi yesterday, Mr Munya said there is adequate storage capacity for the teas as it awaits auction and subsequent shipping to international markets.

Chairperson of the independent tea producers Collins Koech said they are supporting government's decision on minimum price arguing that it will go a long way in lifting farmers earnings in the wake of high cost of production.

<https://www.businessdailyafrica.com/bd/economy/munya-digs-in-on-ktda-buyers-reject-teas-offered-for-sale-3479578>