

# Kipchimchim Group: Pioneering Progress in the Tea Industry



Mbogo Valley Tea Factory which uses solar energy. PHOTOS | KIPCHIMCHIM GROUP

### Introduction:

**K**ipchimchim Group of Companies, a leading name in the tea industry, is proud to share its remarkable journey and achievements in the 2023 Tea Industry Report publication. From humble beginnings to a multifaceted conglomerate, Kipchimchim Group has consistently demonstrated its commitment to excellence, sustainability, and community development.

### Brief Story of the Group

Founded in the year 2000 by the Late Chairman, Samwel Ngetich Kipsoi, Kipchimchim Group started as a small retail kiosk in Kipchimchim Center. Over the years, it has evolved into a diverse, Multisectoral corporation with operations across Kenya and abroad. Today, the group's portfolio includes tea manufacturing, sugar production, mining and construction, real estate, warehousing, chain of supermarkets, agribusiness, transport & logistics, impacting thousands of lives and contributing significantly to the economy.

Kipchimchim Group's tea division stands out as a leading independent smallholder manufacturer and supplier of tea in Kenya. With innovative practices and a commitment to excellence, we produce 27 million kilograms of Black CTC Tea and 3 million kilograms of Orthodox Tea annually. Our six tea factories are strategically located in the rich highlands of Nandi, Kericho, Nakuru, and Bomet Counties of Kenya.

- They are namely:
- Kuresoi Tea Factory
- Mbogo Valley Tea Factory
- Sangalo Tea Factory
- Tet Tea Factory
- Emrok Tea Factory
- Stegro Tea Factory
- Koyo Tea Factory

In addition to our strong presence in Kenya, we have expanded our reach internationally with a warehousing facility in Mombasa and a

trading facility in the UAE.

At Kipchimchim Group, we take pride in our ability to support over 54,000 smallholder tea farmers directly, along with employing over 4,500 individuals directly and supporting over 10,000 others indirectly. Our success is not just in our products but also in the relationships we have built with our farmers, employees, suppliers, and service providers.

### Growth & Milestones in 2023:

In 2023, Kipchimchim Group achieved several milestones, including the construction of the new Koyo Tea factory, increased tea production volumes and expanded market reach. The group's commitment to quality and sustainability has been recognized with various awards and certifications, reinforcing its position as a leader in the industry.

Due to the volatile nature of auction prices of black CTC teas and the huge volume in the auction, Kipchimchim group has sought to venture into orthodox tea manufacture at two of its factories.

We have provided 9,000 bags of subsidized fertilizer to farmers since last year. Additionally, we annually issue 3 million tea seedlings to farmers at a 50% subsidy. We also ensure that all payments are expedited.

To improve on value and supply chain efficiency, Kipchimchim Group recently incorporated new facilities in Kenya and UAE i.e. Chepsetyon Tea Packers, Kuresoi Tea Packers and ABSS DMCC Ltd to develop strong international tea brands and move closer to end consumers in the local and international markets to shield against the volatile tea prices while creating value in the market.

### Volumes & Revenues:

Kipchimchim Group's tea production volumes and revenues have shown steady growth, reflecting the group's strategic investments in infrastructure, technology, and quality control measures. Despite market challenges,



the group has maintained a strong financial performance, demonstrating resilience and adaptability.

### Support to the Economy:

As a growing player in the tea industry, Kipchimchim Group has contributed significantly to the economy through job creation, tax revenue generation, and support to local suppliers and service providers. The group's operations have helped stimulate economic growth in the regions where it operates, enhancing livelihoods and fostering development.

Beyond business, Kipchimchim Group is deeply committed to supporting the communities where it operates. Through various initiatives, including education, sustainability, and infrastructure development, the group has made a positive impact on the lives of countless individuals, promoting social welfare and sustainable development.

### CSR Programs

Kipchimchim Group's commitment to Corporate Social Responsibility (CSR) is deeply ingrained in its business philosophy. From tree planting to helping schools (infrastructure & school fees for needy students), hospitals, the less fortunate in the community, welfare cases (funerals & hospital bills) and construction of



churches, the group's CSR initiatives aim to create sustainable positive impacts and uplift communities. A significant upcoming project is the establishment of the Kipchimchim Group Foundation in honor of the Late Chairman, Samwel Ngetich, reflecting our dedication to making a meaningful difference in the lives of others.

### Innovations

Innovation is at the heart of Kipchimchim Group's success. From technological advancements in tea processing to sustainable practices like solar energy in Mbogo Valley tea factory and cane waste recycling.

The group is constantly pioneering new ways to improve efficiency, reduce environmental impact, and drive positive change.

In the pipeline are plans to install Agriculture Briquette machines & drum rotary dryer which will signif-



icantly reduce the consumption of energy. Our long term strategy is to use bagasse fired boilers in our tea factories which will expend green energy.

### Business Diversifications:

In addition to its core tea manufacturing business, Kipchimchim Group has diversified into other sectors, including sugar production, mining and construction, real estate, agribusiness and hospitality. These diversifications have not only expanded the group's revenue streams but also diversified its risk profile, ensuring long-term sustainability.

Accompanying the publication are photos showcasing Kipchimchim Group's flagship projects, products, and initiatives. These images capture the essence of the group's commitment to excellence, sustainability, and community development, inspiring others to follow suit.

