

Malawi 2020 Tea Revitalisation Programme Agreed in Blantyre

On September 7th and 8th, the Tea Association of Malawi hosted the largest gathering of organisations interested in the future of the Malawian tea sector. Malawian tea companies were joined by Hon. Henry Mussa M.P. The Minister of Labour Youth and Manpower Development, representatives from the Ministry of Agriculture, Ministry of Trade, international tea buyers, traders, retailers, unions, NGOs, and development partners.

Twenty organisations have signed the Malawi 2020 Tea Revitalisation Programme Memorandum of Understanding. This commits them to working together to achieve a competitive and profitable Malawian tea industry where workers earn a living wage and smallholders earn a living income.

Work has already begun in key areas and the Blantyre meeting agreed a Roadmap that the organisations will follow to achieve five objectives:

- A more competitive and profitable industry that is paying a living wage to workers
- A healthier, motivated, and productive workforce, with greater opportunities for women
- An improved smallholder sector where farmers earn a living income
- An improved wage-setting process with greater worker representation
- More sustainable energy use and an improved environment in tea-growing areas

Participants at the meeting welcomed some important developments:

- A substantial rise in workers' wages from MK560 to MK850 on September 1st 2015
- An increase in smallholder first green leaf prices from US13 cents/kg of green leaf to US15 cents/kg on September 1st 2015
- A way forward to develop a collective bargaining agreement agreed at side meetings
- The continued support of the Malawi Government to the process

The open and frank discussion between participants helped build trust between different companies at different points in the tea supply chain and with other organisations involved in the sector. The key components of an action plan for the next 18 months were agreed, which include:

- Developing clear costings for replanting and other upgrading required to improve quality and seeking finance to support these improvements
- Improving communication between buyers and suppliers to improve understanding of quality and other improvements that could result in higher prices and changes in business practices, which could support producers
- Continuing to work to improve smallholder farming practices, yields, quality, income and income diversification, supporting the Government's ambitious growth plans for the smallholder sector
- Agreeing a collective bargaining agreement and building capacity with unions and employers for effective collective bargaining
- Improving nutrition on tea estates
- Mainstreaming policies and approaches to eliminate harassment and discrimination of women

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Supply Chain Commitment to Living Wages on Tea Plantations and Living Income on Smallholder Farms in Malawi by 2020



The Malawi 2020 Tea Revitalisation Programme is co-ordinated by a steering group comprising the Tea Association of Malawi, Ethical Tea Partnership, IDH-Sustainable Trade Initiative, Oxfam, and GIZ.

For more information contact:

Mr Sangwani Hara, Tea Association of Malawi

sjhara@africa-online.net

+265 99 996 1503

Ms Heleen Bulckens, Ethical Tea Partnership

heleen.bulckens@ethicalteapartnership.org

+44 207 953 7668

Ms Daisy Kambalame, IDH-Sustainable Trade Initiative

Kambalame@idhsustainabletrade.org

+265 88 883 0330

Sloane Hamilton, Oxfam

shamilton@oxfam.org.uk

+44 1865 473725