



From Commodity Tea to Innovative High Value Addition

“We never want to think that we have done enough, we want to continue to improve and experiment, keeping our minds open for new ideas. And that makes it so much more exciting to go to the “office”

Satemwa Tea Company produces a wide range of Black, Green, Oolong, White and Dark teas. Some of the teas end up in global brands around the world.

Registered in 1874, Satemwa Tea Estate is among the country's most respected and established tea producers managed and operated by third generation members of the Cathcart Kay

family. The original factory, which was built in 1937, is now known around the tea world as one of the best producers of tea in Southern Africa.

The factory has further seen many changes in technology over the years but consistent passion and care has led to Satemwa becoming a unique estate in Malawi. It is now the last remaining of the original founding

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Ms. Mia Seppo**



tea estates that led to the creation of a successful tea industry in Malawi. The knowledge of the tea processing techniques has been passed down to the generations of both the Kay family and the employees leading to distinctive and celebrated teas being created at Satemwa.

On 22nd of May 2017, Satemwa Tea Estate opened a new factory and packing unit in Thyolo district, in the southern part of Malawi. Satemwa aims to move away from the traditional black tea commodity market and enter the high value

niche export market for artisanal tea and flavoured tea bags. This will enable the company to mitigate the risk of fluctuating global tea prices and assert itself as a major player in the more lucrative niche market. It was supported with a grant under the Malawi Innovation Challenge Fund (MICF).

“We trust that with the opening of the processing and packing facility, the company will be able to generate additional revenue which will make the business model commercially viable whilst impacting on the lives of

the poor”, said UNDP Resident Representative, Ms. Mia Seppo at the launch ceremony. She went ahead to wish the company the best in its attempt to take a Malawian product made from raw material produced by Malawians into global export markets while improving the livelihood of the poor producers in the supply chain that it has set up.

Satemwa Tea Company has individual contracts with 198 of Msuwadzi Smallholder Tea Growers Association (which is an organization of 300 smallholder

tea farmers in Thyolo.

Their main source of income is subsistence farming and the sales of green tea leaves goes to Satemwa. The farmers supply herbs, flowers and fruits to be used for natural flavouring speciality tea. In addition, the tea company is training farmers to attain special plucking skills to improve their overall quality standards. The 198 farmers, who are supplying high quality tea leaves for processing, will have a 45% increase in their income and the company has created 70 new jobs at the new factory.

“We are pleased to note the inclusive nature of the business model, which is a key pillar of the MICF, this is where the biggest impact from the MICF is expected. Integrating smallholder tea farmers into the supply chain, providing them with the right training to achieve both high yields at the right quality and ultimately setting up a transparent system for payments all go a long way in ensuring that the farmers are empowered and there is long term sustainability... Satemwa Tea Estate has shown resilience against various challenges it has faced during the implementation period ranging from adverse weather conditions to fluctuating global tea prices and this is a testimony of the resilience of the private sector in Malawi,” stated DFID Malawi Head of Mission, Jen Marshall.



Satemwa is the first Tea Company in Malawi to venture into the low volume- high value artisanal tea market. Through this project the company will produce the following products:

Flavoured teas - These are processed black, green or oolong teas which are then blended with additional flavourings. A wide range of spices, herbs and flower petals are used to produce a large variety of flavoured teas. Fruit flavoured teas are generally made by blending the fruit's essential oils/or petals of flowers with the processed tea. It is the first time in Malawi tea will be blended with additional flavors.

Speciality teas – These are produced through alternative processing methods such as steaming or pan drying. Green Tea which is a speciality tea will be produced on a commercial scale for the first time in Malawi.

Yamba Tea – This is the first attempt by any company to introduce in the retail market a 100% smallholder led tea brand.

MICF is a competitive, transparent mechanism that provides grant finance for innovative projects and inclusive business models proposed by the private sector active in Malawi's agricultural, manufacturing and logistics sectors. It is supported by the United Nations Development Programme, UK Aid and KFW.



Project Building Blocks

Farmers identified and provided with extension service support for growing herbs



Setting up of a Processing Plant with extra capacity of a new herb drier and a Packaging Unit for production of pyramid teabags for the export market

Development of a marketing and branding strategy for the artisanal tea produced in Malawi



New specialty tea introduced on the export market

Smallholder farmers increase incomes through the supply of herbs by 40%. Speciality tea pluckers' incomes increase by 46% and 70 factory jobs created



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