

Sale of Lipton tea estates in South Rift challenged by community



Workers pick tea at a plantation Kericho County.

Pool | Nation Media Group

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The purchase of Liptons Teas and Infusion estates in the South Rift region by Sri Lanka-based multinational Browns Investment Plc has been challenged by a local community through the Kipsigis Community Clans Organization.

The organization claims that the sale deal of the tea estates in Kericho and Bomet counties was transacted without the “free, prior and informed consent” (FPIC) of the local community.

“We have engaged legal counsel and are actively taking up this matter with the relevant authorities following the guidelines of the UN Guiding Principles for Business and Human Rights and the UN Declaration on the Rights of Indigenous Peoples” The organization stated.

It comes in the backdrop of the corporate disclosure made by Browns Investments Plc to the Colombo Stock Exchange on August 2, 2024, that the acquisition of shares in Lipton Teas and Infusions Kenya Plc was completed on 30th July 2024.

Mr John Rop, the chairman of the organization, Mr Joel Kimetto, the Secretary-General and Mr Joseph Towett, the treasurer signed the statement issued on Wednesday in Kericho, in which they vowed they will fight to reverse the deal. Mr Kimetto said the Kipsigis Community Clans Organization represents the voice of the indigenous Kipsigis people in Bomet, Kericho, Narok and Nakuru counties in Kenya and the diaspora.

“We formally protest and challenge the validity of this transaction. Contrary to

claims made by the seller Liptons Teas and Infusions to the Business and Human Rights Resource Centre” The organization said in the statement.

The local community had offered to purchase the estate through cooperative societies, but the engagement between the parties was not fruitful.

“We have evidence to prove that the local community's offer to acquire the tea estate was not fairly considered, was not given access to the sale process and was not transparently engaged with throughout” It further claimed.

It claims that the land in which the estates stand was forcibly taken from the Kipsigis community between 1902 and 1963 by the British Colonial government and given out or leased to European White Settlers.

“The Lipton Kericho tea estates are on a disputed Kipsigis land that was seized from the local community. There is an ongoing conflict between the local community and the tea estate owners regarding this land” It stated.

“These facts have been documented by the UN Human Rights Special Rapporteurs and the Kenya National Land Commission,” Mr Kimetto said.

“Contrary to the requirements of its major customers (including Walmart) that follow the Accountability Framework Initiative, this transaction has been conducted without adhering to the principle of Free Prior and Informed Consent (FPIC) of the local community on the use or transfer of the Indigenous people's land”

Browns Investments Plc's acquisition process was executed through its fully owned subsidiary B Commodities ME FZE incorporated in the United Arab Emirates.

It acquired 98.94 per cent shares in Lipton Teas and Infusions, Kenya Plc and 51.99 per cent in Limuru Tea Plc and 100 per cent shares in Lipton Teas and Infusions Rwanda Limited.

However, Browns Investment Plc's takeover of Lipton Teas and Infusions in Tanzania has not been concluded as the deal is yet to be cleared by the Competition Commission.

The business takeover would make Browns Investment Plc one of the world's largest tea companies with the capacity to process 87 million kilogrammes of tea.

In effect, the company will take over 11 plantations and eight factories in Kericho, Bomet and Kiambu counties in Kenya.

A 15 per cent stake has been reserved for the local community in Bomet and Kericho counties through a Community Welfare Trust and a Sh 1 billion funding for development initiatives.

“The local community's offer to acquire the tea estate was not fairly considered”

“The Government of Kenya has supported companies in identifying opportunities for local communities to benefit from the partnership and future growth of the industry” Browns and Liptons stated in a joint statement when the deal was announced early in the year.

As a leading tea producer, Browns has also acquired James Finlays Kenya estates in its global expansion program. The journey started three years ago with acquiring James Finlay estates in Sri Lanka.

The county governments of Bomet and Kericho have been involved in a spat with the multinational tea companies on the deployment of mechanization in the plucking of green leaves in their estates, a demand for disclosure of lease agreements and land rates.

Last year, the dispute with the local community escalated with locals invading the farms to harvest green leaves and torched harvesting machines with the protests leading to the death of more than five people, injuries of hundreds of others and arrests by the police.

Local politicians were interrogated by the police over claims they were funding and fuelling the chaos, but none of them were arraigned in court to answer to charges. The standoff has since ended with calm prevailing in the sector for most of this year.