NEW KENYA PLANTERS CO-OPERATIVE UNION

FARMER CENTRIC • TRANSPARENT • ACCOUNTABLE

NEWSLETTER ISSUE #1 • SEPTEMBER 2025

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FOREWORD FROM THE MANAGING DIRECTOR

It gives me great pleasure to introduce the very first edition of the New KPCU Newsletter. This publication marks an important milestone in our journey of keeping our stakeholders better informed and engaged. Through it, we aim to share updates on our progress, highlight key developments, and provide a platform that connects farmers, partners, and staff to the broader vision we are pursuing together.

In this September edition, we reflect on some of our recent achievements and shine a light on the ongoing initiatives that are shaping the future of the coffee sector. Notably, the sensitization tours across coffee-growing regions continue to play a vital role in creating awareness on reforms, opportunities, and support available to farmers. We also outline our priorities for September, which focus on strengthening service delivery, enhancing market linkages, and ensuring transparency in all our operations.

As we embark on this new month, I wish to extend a message of encouragement to all our farmers, partners, and staff. The progress we seek is only possible through your dedication, resilience, and collaboration. Together, we can continue building a stronger and more sustainable coffee industry that uplifts livelihoods and secures a brighter future for generations to come.

FROM SEED TO SUCCESS,

Timothy Mirugi, EBS

NEW KPCU IN ACTION

REVIVING COFFEE PRODUCTION THROUGH COUNTY PARTNERSHIPS

New KPCU PLC, through the Revival of Coffee Through Cooperatives Programme, has continued to work closely with county governments to ensure sustainable coffee production across the country.

The programme is anchored on the vision of distributing 20 million coffee seedlings annually to all 33 coffee-growing counties, directly benefitting over 200,000 farmers.

By enhancing access to quality seedlings, the initiative seeks to restore productivity, improve livelihoods, and secure Kenya’s position as a leading global producer of premium coffee.

So far, thousands of farmers have already begun to benefit from the ongoing distribution exercise. The following counties have received seedlings:

- Kakamega County – 700,000 seedlings
- Laikipia County – 184,000 seedlings
- Trans Nzoia County – 100,000 seedlings
- Elgeyo Marakwet County – 50,000 seedlings
- Murang’a County – 30,000 seedlings
- Vihiga County – 20,000 seedlings
- Siaya County – 10,000 seedlings
- Busia County – 10,000 seedlings

Kakamega County farmers recieve coffee seedlings from CS Hon FCPA Wycliffe A. Oparanya EGH,

Laikipia County Governor H.E Joshua Irungu receives coffee seedlings from New KPCU MD Mr Timothy Mirugi, EBS

Muranga County farmers receive coffee seedlings from New KPCU

These distributions represent a crucial step in the journey towards reviving coffee farming in both traditional and emerging coffee-growing regions. By collaborating with county governments and farmers’ cooperatives, New KPCU PLC is ensuring that farmers receive not only planting materials but also agronomic support and market access to maximize the value of their produce.

This partnership-driven approach continues to reaffirm the government’s commitment to transforming coffee farming into a profitable and sustainable venture for current and future generations.

FARMERS IN SIRIGOI CELEBRATE DIRECT COFFEE PAYMENTS

Coffee farmers in Sirigoi are experiencing a new sense of hope and trust in the sector, thanks to reforms introduced through the New Kenya Planters Cooperative Union (New KPCU).

Joyce Chemtai, a farmer at Sirigoi ,Kericho County, shared her story:

"In the past, farmers did not get their money. We would wait for months or even years, and many lost faith in coffee farming. Thanks to the government through New KPCU, farmers now get their money deposited directly into their accounts."

This improvement has been made possible through the Direct Settlement System (DSS), which ensures timely, transparent, and secure payments straight to farmers' bank accounts.

With this change, farmers are now able to pay school fees on time, invest in their farms, and improve their livelihoods. The system has restored confidence in coffee farming and strengthened trust between farmers and the market. The revival of coffee in Sirigoi is a clear example of how reforms are transforming lives across the country.

THE COFFEE CHERRY ADVANCE REVOLVING FUND: EMPOWERING FARMERS

The Coffee Cherry Advance Revolving Fund (CCARF) was created by the Government of Kenya to address delayed payments and lack of affordable credit for coffee farmers.

By providing advances at only 3% cost, the Fund gives farmers timely access to cash for school fees, healthcare, and farm inputs—reducing reliance on expensive informal lenders.

So far, Kshs 9.39 billion has been disbursed to over 592,204 farmers in 29 counties. Nyeri leads with Kshs 1.41 billion reaching 106,109 farmers, while Siaya recorded the lowest uptake, with Kshs 5,840 for just two farmers.

The Fund is not only restoring financial stability but also reviving interest in coffee farming. Farmers are rehabilitating farms, replanting with better seedlings, and adopting good agronomic practices. This revival is uplifting rural livelihoods and strengthening Kenya's coffee industry as a driver of foreign exchange and economic growth.

NEW KENYA PLANTERS CO-OPERATIVE UNION

COFFEE CHERRY ADVANCE REVOLVING FUND DISBURSEMENT

As at 25th August 2025

NO.	COUNTY	AMOUNT(KSH)	BENEFICIARIES
1.	BARINGO	45,704,436.28	1,186
2.	BOMET COUNTY	2,136,000.00	6
3.	BUNGOMA COUNTY	612,546,415.98	53,299
4.	BUSIA COUNTY	2,000,000.00	1
5.	ELGEYO MARAKWET	23,352,213.40	716
6.	EMBU COUNTY	675,208,544.65	80,173
7.	HOMA BAY COUNTY	1,400,000.00	5
8.	KAKAMEGA COUNTY	5,599,100.00	84
9.	KERICHO COUNTY	756,044,414.02	40,460
10.	KIAMBU COUNTY	1,235,624,770.39	34,445
11.	KIRINYAGA COUNTY	1,064,746,232.49	106,414
12.	KISII COUNTY	72,152,765.85	4,949
13.	KISUMU COUNTY	3,670,493.04	61
14.	LAIKIPIA COUNTY	11,123,880.00	86
15.	MACHAKOS COUNTY	1,084,701,672.86	75,493
16.	MAKUENI COUNTY	31,519,672.80	7,082
17.	MERU COUNTY	418,288,528.27	11,948
18.	MIGORI COUNTY	100,530,147.68	5,880
19.	MURANG'A COUNTY	744,318,173.79	25,118
20.	NAKURU COUNTY	90,441,794.00	1,286
21.	NANDI COUNTY	275,312,637.04	24,139
22.	NAROK	167,500.00	9
23.	NYAMIRA COUNTY	78,911,086.46	8,040
24.	NYERI COUNTY	1,419,727,124.33	106,122
25.	THARAKA NITHI	68,091,103.89	3,804
26.	SIAYA COUNTY	5,840.00	2
27.	TRANSNZOIA COUNTY	573,425,547.17	1,277
28.	UASIN GISHU	52,709,794.82	1,247
29.	WEST POKOT COUNTY	750,000.00	4
	TOTAL	9,450,209,889.00	593,336

NewKPCUPLC

COFFEE MARKET UPDATE
NAIROBI COFFEE EXCHANGE – MONTHLY MARKET SUMMARY (SALES 33–36)

The Nairobi Coffee Exchange recorded a dynamic month of trading, with volumes and prices showing fluctuations before stabilising at higher levels by the close of Sale No. 36.

Overall Performance

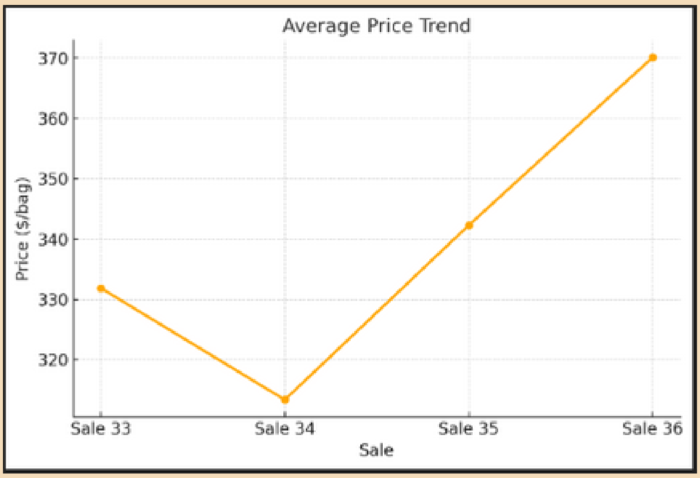
- Total Volume Traded (Month): 38,721 bags
- Average Price Range: $313.32 – $370.10 per bag
- Total Earnings: ~$16.45 million (≈ Ksh 2.1 billion)
- Premium Grades (AA, AB, C): Averaged 77% of total traded coffee

Weekly Trends

- Sale 33: Strong rebound with 10,494 bags traded; prices at $331.83 per bag.
- Sale 34: Volumes fell to 7,278 bags, prices dropped to $313.32.
- Sale 35: Market recovered with 10,099 bags; prices rose to $342.26.
- Sale 36: Month ended on a high with 10,850 bags at $370.10 per bag.

Auction Highlights

- Highest Earnings: Sale 36 at $5.03 million (~Ksh 649 million)
- Lowest Earnings: Sale 34 at $2.85 million (~Ksh 369 million)
- Best Quality Share: Sale 36 with 81% premium grades



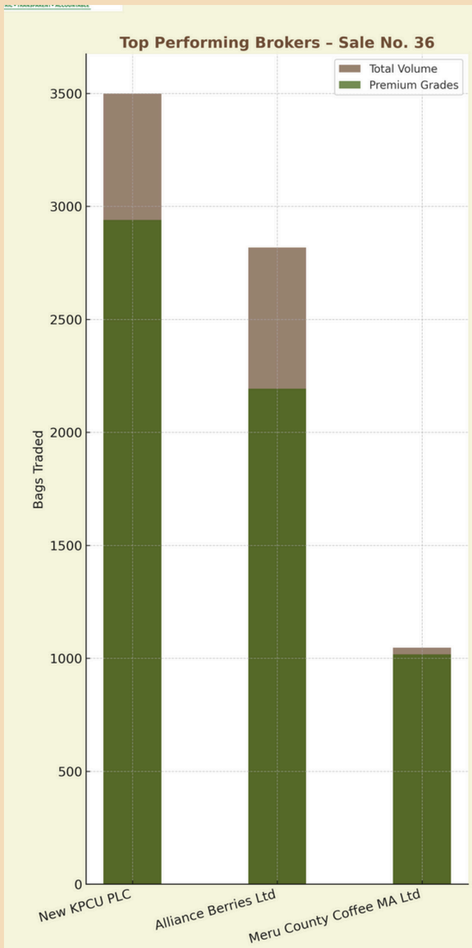
Average prices as from Sale 33 to Sale 36
Data obtained from the Nairobi Coffee Exchange

Top Performing Brokers (Consistently Featured)

- Alliance Berries Ltd – Maintained strong volumes and high proportion of premium grades (72–87%).
- New KPCU PLC – Grew to lead in Sale 36 with 3,499 bags, 84% premium.
- Kirinyaga Slopes Coffee Brokerage Co. Ltd – Strong early showing with over 3,000 bags in Sale 33 and 2,296 bags in Sale 35.
- Meru County CMA – Excelled in Sale 36 with 97% premium share.

Market Outlook

The month demonstrated growing market confidence, with prices steadily improving after a mid-month dip. High demand for premium grades (averaging above three-quarters of traded coffee) signals Kenya's continued competitiveness in the specialty coffee segment. The momentum observed in Sale 36 sets a positive tone for upcoming auctions.



NEWS FROM AROUND THE GLOBE
KENYA'S COFFEE SECTOR PREPARES FOR EU DEFORESTATION REGULATION

The European Union Deforestation Regulation (EUDR), which comes into force in December 2025, presents both challenges and opportunities for Kenya's coffee industry. The regulation requires coffee entering the EU market to be deforestation-free, legally sourced, and traceable back to its farm of origin.

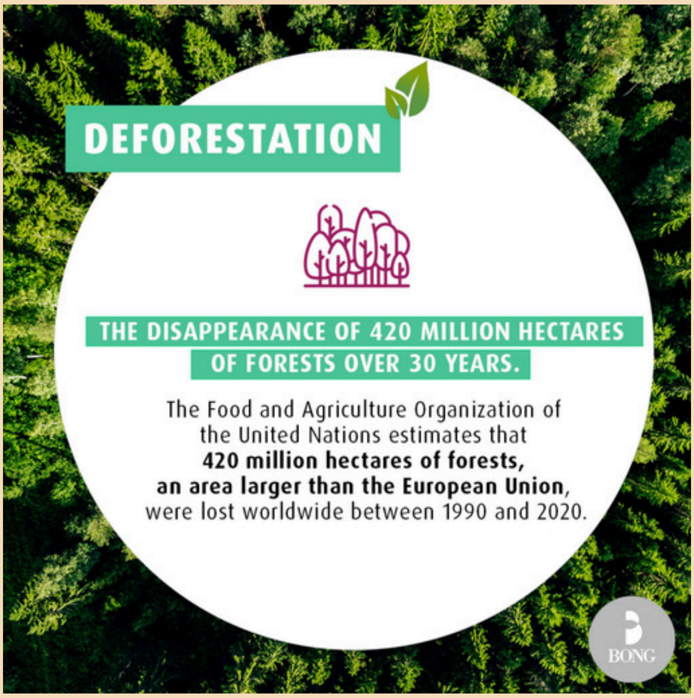
For Kenya, where more than 55% of coffee exports go to the EU, this is a high-stakes compliance requirement. With over 800,000 smallholder farmers spread across 33 counties, building a robust traceability system is both urgent and complex.

Key Challenges

- **Traceability:** Every bag of coffee must be linked to a farm's precise geolocation, proving it was not grown on deforested land after December 2020.
- **Logistics:** Mapping thousands of smallholder farms is resource-intensive, with many farmers lacking digital tools or awareness of the regulation.
- **Costs:** Compliance requires technology and audits that risk burdening farmers with additional expenses.

Government and Stakeholder Action

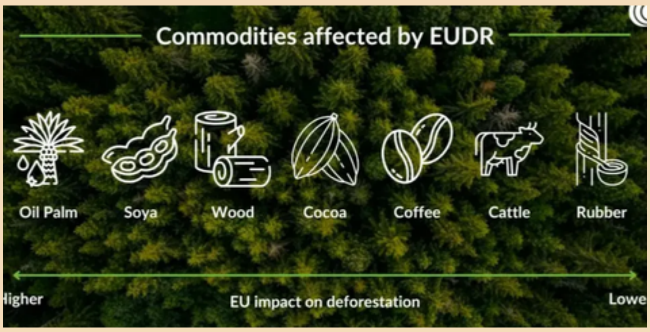
The Government of Kenya has established a Multi-Agency Technical Working Group led by the Agriculture and Food Authority (AFA). Together with partners like the Kenya Space Agency, the Ministry of Agriculture, and NGOs such as Solidaridad, the team is carrying out nationwide geo-mapping and farmer training. Tools like the TerraTrac mobile app are being piloted to make compliance affordable and accessible.
As of July 2025, about 30% of the country's 109,000 hectares of coffee land has been mapped, with the full exercise expected to be completed by September 2025.



Opportunities for Kenya

- **Market Advantage**: By demonstrating sustainability, Kenyan coffee can strengthen its premium reputation in the EU market.
- **Innovation**: New digital traceability systems will modernise the value chain.
- **Sustainability Alignment:** Compliance supports Kenya's national target of planting 15 billion trees by 2030 and promotes climate-smart agriculture.

If Kenya achieves timely compliance, farmers stand to benefit from continued EU market access and potentially better prices for certified sustainable coffee. However, failure could result in reduced exports and income losses. Success will require close collaboration between government, farmers, buyers, and development partners to ensure no farmer is left behind.



COFFEE UNCOVERED

INTRIGUING FACTS BEHIND YOUR MORNING BREW

- Did you know that the world's most expensive coffee is called KOPI LUWAK? Its also know as the Civet coffee. It is made using coffee beans that have been eaten and then excreted by a Civet cat. The digestive process is said to enhance the flavor of the beans.

- Legend has it that coffee was discovered by an Ethiopian goat herder named Kaldi in the 9th century. He noticed that his goats become energetic after eating berries from a certain tree. He tried them himself and experienced the same energy boost.

- Finland is the country with the highest coffee consumption per capita, with the average Finn drinking about 12 kilograms (26 pounds) of coffee per year.

- Coffee is the second most traded commodity in the world, behind only crude oil. Its global economic impact is immense.

- Coffee is made up of 98% water. Therefore the quantity of water used in brewing greatly affects the final taste of coffee

the average Finn drinks about 12 kilograms (26 pounds) of coffee per year.

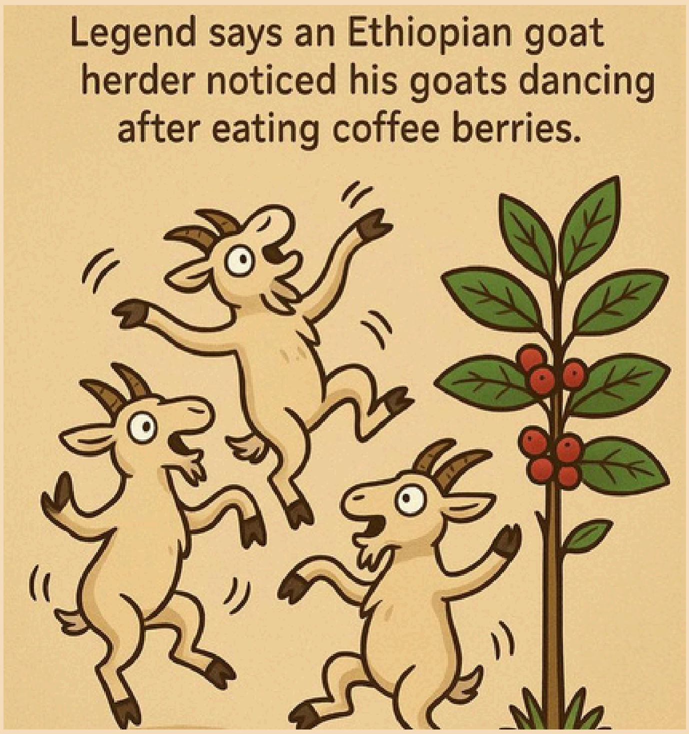
Civet Cat in Coffee Plantation

COFFEE MILLING AND WAREHOUSING

Our Mills and Warehouses are operating at full Capacity in the following locations.

- New KPCU Dandora Mills
- New KPCU Sagana MIlls
- New KPCU Meru Mills
- New KPCU Tala Mills
- New KPCU Bungoma Mills
- New KPCU Nakuru Warehouse
- New KPCU Nanyuki Warehouse

Visit our website at www.newkpcuplc.go.ke for more information!



CLOSING NOTE

As we bring this edition of the New KPCU newsletter to a close, we take this moment to reflect on the strides made and the journey ahead. The revival and transformation of the coffee sector is not just an organisational mandate. It is a national calling that touches the lives of millions of Kenyan farmers and their families. Every parchment delivered, every seedling planted, every training session held, and every cup of coffee enjoyed is a testament to the resilience and hard work of our farmers and the unwavering support of our stakeholders.

At New KPCU, we remain deeply committed to ensuring that the farmer remains at the heart of everything we do. From timely milling and liquoring services to effective marketing and value addition, we are continuously working to improve our processes, strengthen our systems, and expand opportunities for Kenyan coffee in both local and international markets.

This newsletter is more than a collection of updates. It is a story of hope, growth, and shared progress.

We encourage you, our readers, to stay engaged, share your feedback, and continue being part of this important conversation. Your voices, ideas, and support guide us as we strive to deliver better services and create a coffee sector that works for everyone.

Together, let us continue to uphold the legacy of Kenyan coffee while embracing innovation and new opportunities. The future of coffee is bright, and with unity, transparency, and commitment, we will ensure that our farmers receive the recognition, rewards, and dignity they deserve.

Thank you for walking this journey with us. Until the next edition, let us keep working hand in hand to build a stronger, sustainable, and globally competitive coffee industry for generations to come.

New KPCU Corporate Communications Team

Kahawa Ni Dollar!


NEW KENYA PLANTERS
COOPERATIVE UNION


REVIVAL OF COFFEE
MINISTRY OF COOPERATIVES AND MSME DEVELOPMENT
NEW KENYA PLANTERS CO-OPERATIVE UNION
JOIN THE COFFEE REVOLUTION


JOIN THE COFFEE REVOLUTION
REVIVAL OF COFFEE
THROUGH CO-OP SOCIETIES
MINISTRY OF
COOPERATIVES
AND MSME
DEVELOPMENT
CRIMSON

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Supreme


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