



TEA BOARD OF KENYA

Realizing the Tea Promise

KENYA TEA INDUSTRY PERFORMANCE HIGHLIGHTS FOR JANUARY 2022 **PRODUCTION**

Tea production for the month of January 2022 dropped significantly by 3.84 Million Kgs from 52.52 Million Kgs recorded in December 2021 to 48.68 Million Kgs. Production during the month was also lower compared to 48.89 Million Kgs recorded in during the same period of last year. The drop in production for the month of January follows continued sunny and dry weather conditions condition that was more prevalent in tea growing areas the West of Rift especially during the second week of the month. However, the effect of dry weather in some of the tea growing areas in the East of the Rift was minimal.

Notably, in the West of Rift, tea growing areas in Nandi, Bomet, Kericho, and Nyamira and Counties were the most affected by unfavourable weather conditions, with Nandi recording dry weather conditions in the first half of the month while Kericho received minimal rainfall of less than 3mm daily. During the second week of the month, Bomet and Nyamira recorded dry weather conditions. As a result of lower rainfall and dry weather conditions in the first half of the month, production within the West of Rift was significantly lower by 1.83 Million Kgs from 31.49 Million Kgs recorded during the same month of 2021 to 29.65 Million Kgs.

Within the East of Rift, most tea growing regions recorded low-moderate rainfall averaging 2-23mm daily throughout the month. Consequently, output within the East of Rift recorded an increase of 1.62 Million Kgs from 17.39 Million Kgs to 19.02 Million Kgs.

Notably, due to wider coverage of the Plantation sub-sector in tea growing areas affected by adverse weather conditions in the West of Rift (Nandi, Kericho, Bomet, and Nyamira Counties), the sub-sector recorded lower production by 2.59 Million Kgs from

22.39 Million Kgs to 19.80 Million Kgs. However, since the Smallholder Sub-sector is more wide-spread in areas that experienced low-moderate rainfall, the sub-sector's output recorded significant increase of 2.38 Million Kgs from 26.49 Million Kgs recorded during the corresponding month of 2021 to 28.87 Million Kgs.

Tea Production Trend (2022 Vis.-a-vis. 2020)

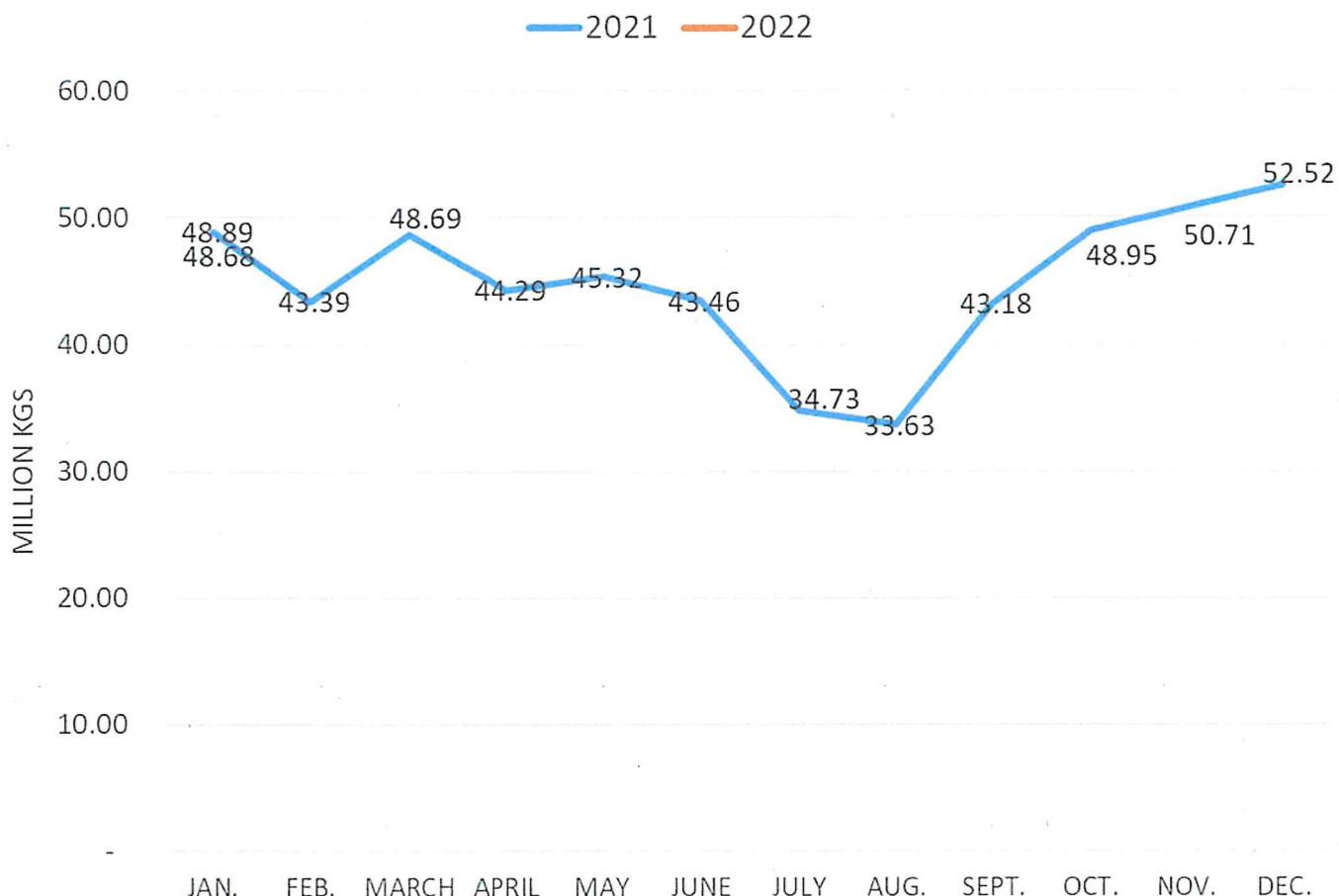


Table 1: Production by Sub-Sector and Region (2022 vis-à-vis 2021)

Sub-Sector	Region	January-22	January-21	Variance	Var.(%)
Plantation	West of Rift	17,738,944	20,505,029	(2,766,085)	-13.49%
	East of Rift	2,070,289	1,891,796	178,493	9.44%
	Total	19,809,233	22,396,825	(2,587,592)	-11.55%
Smallholder	West of Rift	11,918,729	10,991,416	927,313	8.44%
	East of Rift	16,955,067	15,507,885	1,447,182	9.33%
	Total	28,873,797	26,499,301	2,374,496	8.96%
Plantation & Smallholder	West of Rift	29,657,674	31,496,445	(1,838,771)	-5.84%
	East of Rift	19,025,357	17,399,681	1,625,676	9.34%
	Total	48,683,030	48,896,126	(213,096)	-0.44%

TEA SALES

AUCTION

During the month of January, auction sales volume for Kenyan tea stood at 37.45 Million Kgs, which was higher compared to 31.72 Million kgs recorded in the corresponding month of last year. The average monthly auction price for Kenyan tea was much higher at 2.68 USD per Kg against 2.03 USD for the same period of 2021 and 2.29 USD for the same period of 2020. The average price was also higher compared to 2.62 USD recorded in the month of December last year. During the month of January 2022, auction prices continued on an upward trajectory after experiencing a declining trend to a seven-month low of 1.75 USD per Kg in July 2021. Reversed trend follows the setting up of minimum reserve price of 2.43 USD per Kg in July for the smallholder sub-sector taking into account the cost of production, the grade of the tea and a reasonable return to the tea farmer. During the month of January 2022, tea offered for sale by the smallholder tea factories fetched an average price of 2.96 USD per Kg for the main grades from an average price of 2.33 USD in July 2021.

For all the tea offered for sale at the auction during the month, "Best" category of CTC leaf grades fetched higher prices at between USD 2.55 to 4.64 per Kg for the BP1s and 3.08 to 3.76 for the PF1s while tea prices for a similar category of the dust grades ranged between USD 3.00 to 3.71 for PDust and USD 3.08 to 3.80 for Dust1. Notably, well sorted grades and those with brighter liquors attracted more competitive bids and considerably higher prices while plainer categories across the grades attracted either less interest and thus lower prices or no bid by the buyers and consequently constituted the highest proportion of teas on offer at the auction that were withdrawn. However, there was no Orthodox tea grades on offer at the auction during the month.

EXPORTS

The total export volume for the month of January 2022 was marginally higher by 2% from 45.19 Million Kgs recorded in the same period of last year to 45.94 Million Kgs. It was also higher compared to 45.93 Million Kgs exported during the month of December 2021. The increase in export volume was attributable to enhanced demand in most markets.

During the month, Kenya tea was shipped to forty eight (48) export destinations compared to fifty one (51) for the same period of last year. Pakistan maintained the leading export destination for Kenyan tea having imported 17.88 Million Kgs, accounting for 39% of the

total export volume. Other key export destinations for Kenyan tea were Egypt (8.66 Million Kgs), UK (3.31 Million Kgs), Sudan (3.14 Million Kgs), Russia (3.09 Million Kgs), UAE (1.92 Million Kgs), Yemen (1.26 Million Kgs), Saudi Arabia (0.714 Million Kgs), Ireland (0.613 Million Kgs), and Kazakhstan (0.570 Million Kgs). The top ten export destinations, majority of which are traditional markets for Kenyan tea accounted for 90% of Kenya tea export volume.

During the month, there was significant increase in exports to traditional markets especially Egypt, Saudi Arabia, Nigeria and Afghanistan and emerging markets such as Malaysia, and Finland. There were also a few shipments to seasonal markets such as Bangladesh and Peru.

LOCAL TEA SALES

Local tea sales for January 2022 was 2.57 Million Kgs against 2.95 Million Kgs recorded during the corresponding month of 2021.

17TH MARCH 2022

Table 2: Kenya Tea Exports by Destination (January 2022 vis-à-vis January 2021)

DESTINATION	2022- QUANTITY KGS	2021 - QUANTITY KGS	QUANTITY VARIANCE KGS	%AGE VARIANCE
PAKISTAN	17,888,788	17,421,486	467,303	3%
EGYPT	8,663,046	6,117,548	2,545,498	42%
UK	3,313,421	4,313,516	- 1,000,095	-23%
SUDAN	3,143,622	1,945,923	1,197,699	62%
RUSSIA	3,095,998	3,289,363	- 193,365	-6%
UAE	1,925,149	2,868,198	- 943,049	-33%
YEMEN	1,268,017	1,575,240	- 307,223	-20%
SAUDI ARABIA	714,542	66,444	648,098	975%
IRELAND	613,995	670,008	- 56,013	-8%
KAZAKHSTAN	570,968	944,753	- 373,785	-40%
NIGERIA	553,488	288,544	264,944	92%
POLAND	438,751	1,039,524	- 600,773	-58%
AFGHANSTAN	421,470	116,100	305,370	263%
PERU	375,231		375,231	
INDONESIA	297,624	320,338	- 22,714	-7%
CHINA	294,872	336,817	- 41,945	-12%
MALAYSIA	288,632	276,160	12,472	5%
INDIA	244,145	330,182	- 86,037	-26%
USA	233,577	174,118	59,459	34%
SWITZERLAND	196,800	329,336	- 132,536	-40%
UKRAINE	188,263	343,338	- 155,075	-45%
IRAN	146,052	569,874	- 423,822	-74%
JAPAN	126,060	298,896	- 172,836	-58%
TURKEY	114,148	271,671	- 157,523	-58%
BANGLADESH	96,000		96,000	
FINLAND	86,625		86,625	
NETHERLANDS	76,250	125,704	- 49,454	-39%
UZBEKISTAN	65,955	87,896	- 21,941	-25%
GERMANY	59,520	53,640	5,880	11%
OMAN	53,600	53,294	306	1%
YEMEN	50,400	113,210	- 62,810	-55%
SOUTH AFRICA	45,672	25,408	20,264	80%
SRI LANKA	36,522	266,356	- 229,834	-86%
KYRGYZSTAN	35,124	16,120	19,004	118%
DJIBOUTI	32,000	14,846	17,154	116%
MYANMAR	26,928	28,094	- 1,166	-4%
GHANA	25,500	10,800	14,700	136%
ISRAEL	24,207		24,207	
HONG KONG	22,680	12,512	10,168	81%
QATAR	22,281	22,082	199	1%
SOMALIA	18,500	274,496	- 255,996	-93%
MEXICO	18,000	9,000	9,000	100%
SINGAPORE	14,000	30,400	- 16,400	-54%
TAIWAN	13,250	26,640	- 13,390	-50%
ITALY	4,600	4,600	-	0%
CANADA	200	20,950	- 20,750	-99%
SOUTH KOREA	116	200	- 84	-42%

CZECH REPUBLIC	100		100	
BAHRAIN		8,776	- 8,776	-100%
BRAZIL		4,580	- 4,580	-100%
CAMEROON		8,083	- 8,083	-100%
MALI		10,348	- 10,348	-100%
MAURITIUS		20,000	- 20,000	-100%
SENEGAL		5,174	- 5,174	-100%
TURKMENISTAN		16,890	- 16,890	-100%
VIETNAM		22,000	- 22,000	-100%
TOTYAL	45,944,690	45,199,476	745,214	2%