



TEA BOARD OF KENYA

Realizing the Tea Promise

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

Tea production for the month of August 2022 increased marginally to 35.89 Million Kgs from 33.63 Million Kgs recorded in the same month last year and 33.85 Million Kgs in July this year. Improved production follows moderate rainfall recorded over the Highlands West of the Rift Valley, the Central and South Rift Valley and the Highlands East of the Rift Valley whose amounts was near to above average compared with their August monthly Long Term Means. During the month of August, Moderate rainfall was experienced alongside warm temperatures following the cessation of the cold weather conditions in July. In the West of the Rift Valley, tea growing areas of Kericho experienced moderate rainfall amounts averaging 37.5 mm to 80 mm daily while in Nandi, rainfall ranged from 33 mm to 67.5 mm daily. Tea growing areas within Bomet, Nyamira and Kisii experienced rainfall of between 22 mm to 40 mm daily. However, in tea growing areas within the East of Rift, rainfall was much lower and ranged between 2 to 16 mm daily Embu/Meru; 2-21 mm in Nyeri/Kirinyaga; and 2-21mm in Kiambu/Muranga.

Consequently, in tea growing areas in the West of Rift Valley, production increased by about 2.74 Million Kgs from 26.32 Million Kgs recorded during the corresponding month of 2021 to 29.06 Million Kgs. Production in the region was also higher compared to 27.91 Million Kgs recorded during the month of July.

Due to lower rainfall within the East of the Rift, production was marginally lower by about 0.48 Million Kgs from 7.30 Million Kgs recorded during the corresponding month



of 2021 to 6.82 Million Kgs. However, Production in the region was higher compared to 5.39 Million Kgs Million Kgs recorded during the month of July.

Due to moderate rainfall received in tea growing areas of the West of Rift Valley where the Plantation sub-sector is more prevalent, production within the sub-sector was significantly higher by about 3.62 Million Kgs from 18.78 Million Kgs recorded during the corresponding month of 2021 to 22.40 Million Kgs.

Due to lower rainfall conditions in the certain parts of the West of Rift Valley (Bomet, Nyamira and Kisii) and in the East of Rift Valley (Embu/Meru; Nyeri/Kirinyaga; and Kiambu/Muranga), production in the smallholder sub-sector dropped by about 1.36 Million Kgs from 14.84 Million Kgs recorded during the corresponding month of 2021 to 13.48 Million Kgs.

Cumulative production for the eight-month period was lower by 2.33 Million Kgs to stand at 340.11 Million Kgs against 342.44 Million Kgs recorded during the corresponding period of 2021. Going by the trend to-date, lower cumulative production is likely to continue throughout the rest of the year.

Tea Production Trend (2022 Vis.-a-vis. 2021)

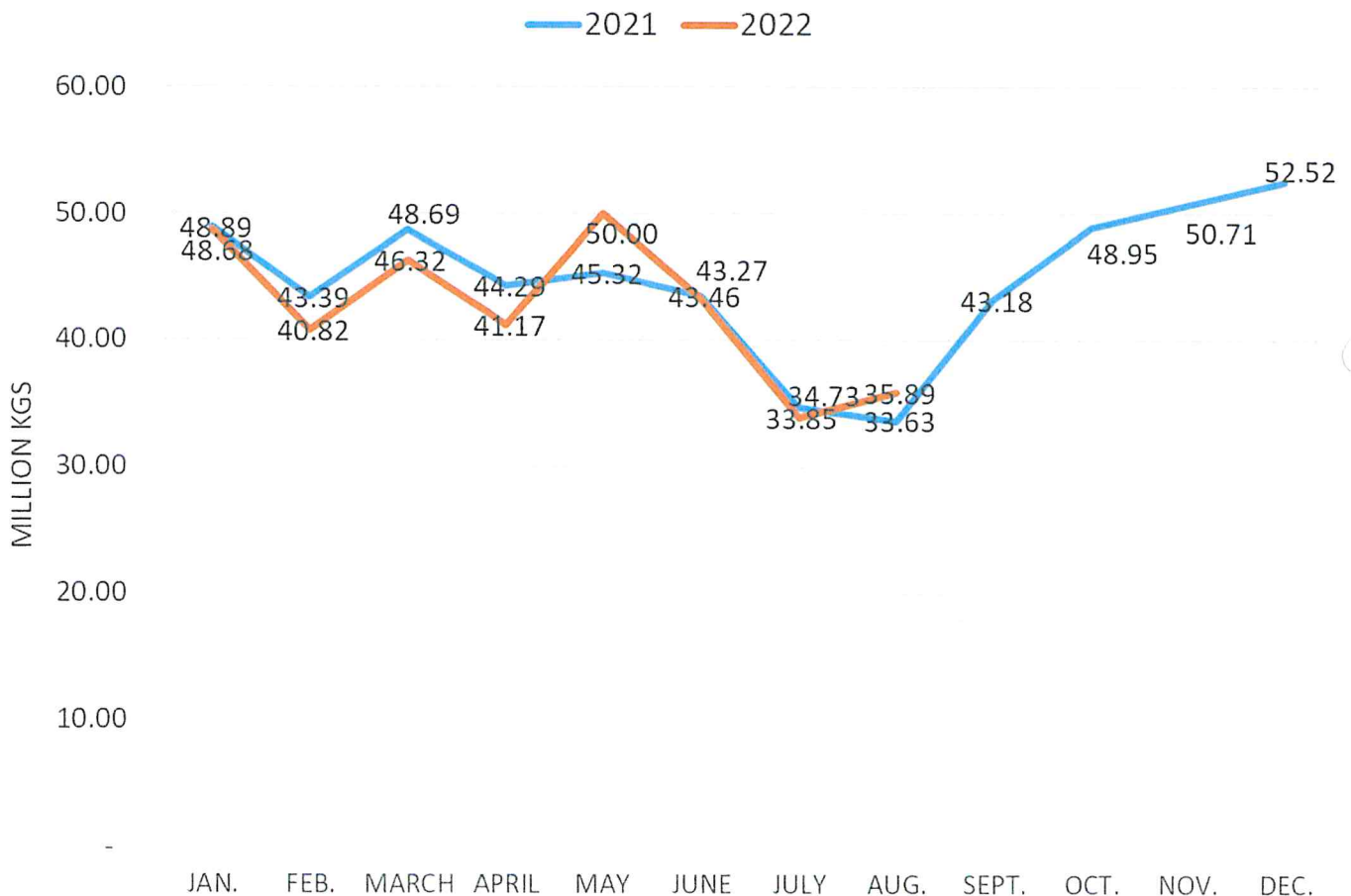


Table 1: Production by Sub-Sector and Region (2022 vis-à-vis 2021)

Sub-Sector	Region	August 2022	August 2021	Variance +/-	Var.(%)	Jan – Aug. 2022	Jan – Aug. 2021	Variance +/-	Var.(%)
Plantation	West of Rift	21,490,186	17,952,628	3,537,558	19.70%	153,628,895	152,610,689	1,018,206	0.67%
	East of Rift	918,856	832,446	86,410	10.38%	10,893,479	11,454,837	-561,359	-4.90%
	Total	22,409,042	18,785,074	3,623,968	19.29%	164,522,374	164,065,527	456,847	0.28%
Smallholder	West of Rift	7,574,992	8,373,708	- 798,716	-9.54%	80,466,433	79,065,560	1,400,872	1.77%
	East of Rift	5,910,544	6,476,257	- 565,714	-8.74%	95,122,990	99,313,852	- 4,190,862	-4.22%
	Total	13,485,536	14,849,965	- 1,364,429	-9.19%	175,589,422	178,379,412	- 2,789,990	-1.56%
Plantation & Smallholder	West of Rift	29,065,178	26,326,336	2,738,842	10.40%	234,095,328	231,676,250	2,419,078	1.04%
	East of Rift	6,829,400	7,308,703	- 479,304	-6.56%	106,016,468	110,768,689	- 4,752,221	-4.29%
	Total	35,894,578	33,635,039	2,259,539	6.72%	340,111,796	342,444,939	- 2,333,143	-0.68%

TEA SALES

AUCTION

During the month of August, auction sales volume for Kenyan tea stood at 34.60 Million Kgs, which was lower compared to 37.34 Million Kgs recorded in the corresponding month of last year. However, it was higher in comparison with 28.15 Million Kgs sold in the month of July. Lower sales was attributed to less volume of teas on offer for sale at the auction on account of declining production trend and reduced global demand.

The average auction price for Kenyan tea during the month of August this year was slightly higher at 2.39 USD per Kg compared to 2.37 USD per Kg recorded in July but lower compared to 2.44 USD per Kg in June. However, it was higher compared to 2.10 USD and 2.02 USD recorded during the same period of 2021 and 2020, respectively. For all the teas offered for sale at the auction during the month, "Best" category across CTC leaf and dust grades fetched higher prices especially those that were well sorted grades and had brighter liquors. Notably, there was no Orthodox tea grades on offer at the auction during the month.

During the eight-month period of the year, average auction prices for Kenya tea stood at USD 2.51 per Kg, which was significantly higher compared to USD 1.95 for the same

period of 2021, USD 2.02 in 2020 and USD 2.17 in 2019. During the eight-month period of 2022, tea offered for sale by the smallholder tea factories fetched an average price of USD 2.72 per Kg for the main grades from an average price of USD 2.23 for January - August 2021 and USD 2.21 for the same period of 2020.

Though the auction prices have been on an upward trajectory after experiencing a declining trend to a low of 1.75 USD per Kg in July 2021 for the smallholder tea factories occasioned by the effects of COVID-19 Pandemic, the auction prices during the period March-August 2022 slackened due to the effect of global economic shock brought about by the Russia-Ukraine crisis. During the month, buyers of tea for Russia and Iran markets continued to be less active at the auction.

EXPORTS

The total export volume for the month of August 2022 was lower by 43% from 49.78 Million Kgs recorded in the same period of last year to 28.37 Million Kgs. It was also lower compared to export volumes recorded during the preceding months of the year and continued to decline since the month of May. The number of export markets were also lower at forty four (44) compared to forty eight (48) for the same period of last year. Decline in exports was majorly due to effect of Russia-Ukraine crisis that continued to cause global economic recession and thus negatively affecting purchasing power in most markets.

Pakistan maintained its position as the leading export destination for Kenyan tea having imported 12.46 Million Kgs compared to 18.55 Million Kgs imported during the same month last year. Despite lower import volume, Pakistan accounted for the highest exports at 44% of the total export volume. Other key export destinations for Kenyan tea were UK (2.83 Million Kgs); Egypt (2.36 Million Kgs); UAE (2.13 Million Kgs); Sudan (1.26 Million Kgs); Yemen (1.04 million Kgs); Kazakhstan (0.81 Million Kgs); Iran (0.57 Million Kgs); Saudi Arabia (0.54 Million Kgs); and Indonesia (0.52 Million Kgs). The top ten export destinations, majority of which are traditional markets for Kenyan tea accounted for 86% of Kenya tea export volume. Apart from Saudi Arabia, Indonesia and Yemen, all the other traditional markets recorded lower tea imports from Kenya compared to the same period of last year. Decline was also recorded in other key markets such as in Russia; Poland; Japan; Switzerland; India; Ukraine; China; Ireland; and Nigeria. Notably, a few shipments were recorded in

seasonal markets such as Zambia; Estonia; New Zealand; Burkina Faso; Gabon; and Senegal.

Cumulative export volume for January to August was lower by 22% to stand at 303.20 Million Kgs compared to 389.04 Million Kgs for the eight-month period of last year.

LOCAL TEA SALES

Local tea sales for August 2022 stood at 2.80 Million Kgs against 2.87 Million Kgs for the corresponding period of 2021 while cumulative sales in the local market for the eight months' period up to August 2022 was lower at 20.9 Million Kgs against 24.77 Million Kgs for the same period of 2021 and 27.35 Million Kgs for the eight month period of 2020. Lower sales during the year to-August was attributed to lower demand due to continued effect of inflationary pressure on basic commodity prices occasioned by global economic recession, weakening of the Kenya Shilling against the USD and increase in fuel prices. Overall inflation rate for the eight month period of 2022 was higher at an average of 6.32 percent compared to 6.06 percent for the same period of 2021 and 5.43 percent in 2020.

5th October 2022

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

DESTINATION	2022- QUANTITY KGS	2021 - QUANTITY KGS	QUANTITY VARIANCE KGS	%AGE VARIANCE
PAKISTAN	12,469,231	18,552,832	-6,083,600	-33%
UK	2,828,240	3,365,340	-537,100	-16%
EGYPT	2,358,106	9,060,723	-6,702,617	-74%
UAE	2,129,558	2,266,520	-136,962	-6%
SUDAN	1,255,392	4,260,213	-3,004,821	-71%
YEMEN	1,037,131	821,236	215,895	26%
KAZAKHSTAN	810,180	1,445,065	-634,885	-44%
IRAN	565,966	572,031	-6,065	-1%
SAUDI ARABIA	536,016	167,740	368,276	220%
INDONESIA	517,103	245,130	271,973	111%
RUSSIA	477,595	2,896,504	-2,418,909	-84%
JORDAN	357,500	361,250	-3,750	-1%
MALAYSIA	334,106	92,959	241,147	259%
POLAND	311,587	853,078	-541,491	-63%
TURKEY	265,376	268,779	-3,403	-1%
AFGHANISTAN	262,730	180,682	82,048	45%
JAPAN	226,752	537,548	-310,796	-58%
SWITZERLAND	204,449	472,330	-267,881	-57%
INDIA	160,576	321,483	-160,907	-50%
SOMALIA	149,388	43,340	106,048	245%
MAURITIUS	135,000	40,000	95,000	238%
UZBEKISTAN	116,400	44,725	71,675	160%
UKRAINE	98,880	241,875	-142,995	-59%
BANGLADESH	96,000	192,000	-96,000	-50%
CHINA	92,964	650,558	-557,594	-86%
SRI LANKA	84,069	144,112	-60,043	-42%
IRELAND	77,640	207,888	-130,248	-63%
SOUTH AFRICA	59,880	116,388	-56,508	-49%
OMAN	53,600	76,891	-23,291	-30%
CANADA	51,960	120,120	-68,160	-57%
ZAMBIA	36,241		36,241	#DIV/0!
KYRGYZSTAN	25,500	24,144	1,356	6%
NIGERIA	25,320	266,397	-241,077	-90%
AZERBAIJAN	24,300	21,774	2,526	12%
TAIWAN	24,000	12,600	11,400	90%
USA	20,880	249,739	-228,859	-92%
ESTONIA	20,860		20,860	#DIV/0!
CHILE	17,209	2,134	15,075	706%
NEW ZEALAND	12,800		12,800	#DIV/0!
NETHERLANDS	12,232	89,461	-77,229	-86%
BURKINA FASO	10,349		10,349	#DIV/0!
GABON	10,349		10,349	#DIV/0!
GERMANY	7,800	70,380	-62,580	-89%
SENEGAL	5,174		5,174	#DIV/0!
CHAD		105,949	-105,949	-100%
CZECH REPUBLIC		100	-100	-100%
HONK KONG		32,040	-32,040	-100%

IRAQ		49,148	-49,148	-100%
MEXICO		9,000	-9,000	-100%
MOROCCO		17,400	-17,400	-100%
PERU		46,520	-46,520	-100%
QATAR		155,110	-155,110	-100%
SINGAPORE		8,100	-8,100	-100%
SWAZILAND		1,037	-1,037	-100%
TOTAL	28,376,390	49,780,373	-21,403,983	-43%

Table 3: Kenya Tea Exports by Destination (Jan- August 2022 vis-à-vis Jan- August 2021)

DESTINATION	2022- QUANTITY KGS	2021- QUANTITY KGS	QUANTITY VARIANCE KGS	%AGE VARIANCE
PAKISTAN	121,332,624	146,494,089	- 25,161,466	-17%
EGYPT	48,227,592	67,387,257	- 19,159,665	-28%
UK	23,631,814	33,696,141	- 10,064,328	-30%
UAE	19,584,489	20,572,384	- 987,895	-5%
SUDAN	13,054,943	19,332,257	- 6,277,314	-32%
YEMEN	12,612,692	11,362,423	1,250,269	11%
RUSSIA	12,461,516	20,176,802	- 7,715,286	-38%
KAZAKHSTAN	5,333,432	8,893,813	- 3,560,381	-40%
POLAND	5,223,481	6,215,339	- 991,858	-16%
AFGHANISTAN	4,748,301	1,358,483	3,389,818	250%
SAUDI ARABIA	3,811,449	2,306,008	1,505,441	65%
NIGERIA	3,096,215	4,753,437	- 1,657,222	-35%
IRELAND	3,049,414	3,588,283	- 538,869	-15%
IRAN	3,035,265	4,697,355	- 1,662,090	-35%
JORDAN	1,997,000	1,197,500	799,500	67%
INDONESIA	1,905,423	1,640,273	265,150	16%
INDIA	1,720,201	3,388,745	- 1,668,544	-49%
SWITZERLAND	1,655,486	3,568,860	- 1,913,374	-54%
JAPAN	1,569,197	2,527,791	- 958,594	-38%
MALAYSIA	1,553,536	1,657,654	- 104,118	-6%
USA	1,223,945	2,348,351	- 1,124,406	-48%
CHINA	1,098,410	4,124,289	- 3,025,879	-73%
TURKEY	1,020,559	1,297,449	- 276,890	-21%
UKRAINE	989,102	1,771,509	- 782,407	-44%
SOUTH AFRICA	909,252	992,776	- 83,524	-8%
PERU	899,360	117,080	782,280	668%
NETHERLANDS	890,010	2,722,285	- 1,832,275	-67%
QATAR	781,761	962,720	- 180,959	-19%
SOMALIA	636,782	915,496	- 278,714	-30%
BANGLADESH	549,600	598,800	- 49,200	-8%
UZBEKISTAN	509,694	1,153,534	- 643,840	-56%
OMAN	487,387	803,798	- 316,411	-39%
GERMANY	474,343	724,446	- 250,103	-35%
MAURITIUS	399,284	237,400	161,884	68%
GHANA	390,847	452,992	- 62,145	-14%
SRI LANKA	335,654	1,576,114	- 1,240,460	-79%
CANADA	270,040	554,000	- 283,960	-51%
MYANMAR	159,728	133,067	26,661	20%
KYRGYZSTAN	159,724	326,545	- 166,821	-51%
DJIBOUTI	140,350	170,278	- 29,928	-18%
CHAD	132,180	717,151	- 584,971	-82%
ERITREA	130,000	130,000	-	0%
CHILE	112,922	2,134	110,788	5191%

FINLAND	109,714	33,608	76,106	226%
TAIWAN	86,438	277,580	- 191,142	-69%
NEW ZEALAND	76,800	76,800	-	0%
SINGAPORE	75,580	104,500	- 28,920	-28%
ZAMBIA	74,415		74,415	#DIV/0!
AZERBAIJAN	71,270	81,270	- 10,000	-12%
BURKINA FASO	61,920		61,920	#DIV/0!
MEXICO	48,809	54,000	- 5,191	-10%
HONG KONG	48,360	159,032	- 110,672	-70%
ESTONIA	46,700		46,700	#DIV/0!
ISRAEL	28,057	48,000	- 19,943	-42%
BRAZIL	27,084	36,321	- 9,237	-25%
COTE D'IVOIRE	25,786		25,786	#DIV/0!
TANZANIA	21,100	20,220	880	4%
MALI	19,478	10,348	9,130	88%
LITHUANIA	13,085	7,224	5,861	81%
IRAQ	12,998	161,142	- 148,144	-92%
ITALY	11,000	23,860	- 12,860	-54%
GABON	10,349		10,349	#DIV/0!
BAHRAIN	8,496	12,412	- 3,916	-32%
ANGOLA	6,168		6,168	#DIV/0!
GUINEA	5,472	5,472	-	0%
SENEGAL	5,174	5,174	0	0%
TOGO	5,174		5,174	#DIV/0!
AUSTRALIA	1,380		1,380	#DIV/0!
FRANCE	500		500	#DIV/0!
CZECH REPUBLIC	335	325	10	3%
SWAZILAND	331	1,037	- 706	-68%
SOUTH KOREA	116	1,600	- 1,484	-93%
CAMEROON		8,083	- 8,083	-100%
CONGO		8,107	- 8,107	-100%
ISLE OF MAN		24,000	- 24,000	-100%
MOROCCO		67,400	- 67,400	-100%
SPAIN		22,880	- 22,880	-100%
TAJIKISTAN		23,829	- 23,829	-100%
TURKMENISTAN		51,685	- 51,685	-100%
UGANDA		3,518	- 3,518	-100%
VIETNAM		71,174	- 71,174	-100%
TOTAL	303,207,092.51	389,047,708.87	-85,840,616	-22%

