



TEA BOARD OF KENYA

Realizing the Tea Promise

KENYA TEA INDUSTRY PERFORMANCE HIGHLIGHTS FOR SEPTEMBER 2022 PRODUCTION

Tea production for the month of September 2022 dropped by 4.98 Million Kgs from 43.18 Million Kgs recorded in the same month last year to 38.19 Million Kgs. However, production for the month was much more enhanced compared to 35.89 Million Kgs recorded in August and 33.85 Million Kgs in July this year. Lower production compared to the same period of last year follows sunny and dry weather conditions experienced in most parts of the country with exception of several areas in the Highlands West of the Rift Valley (Trans Nzoia, Nandi, Kericho, Uasin Gishu, Elgeyo-Marakwet, West Pokot, Kakamega, Vihiga, Bungoma, Kisii, and Nyamira counties) and the Central and South Rift Valley (Nakuru and Bomet counties), which received near-to-average rainfall. In the West of the Rift Valley, tea growing areas within Kericho experienced moderate rainfall amounts averaging 30 mm to 109 mm daily while in Nandi, rainfall ranged from 32 mm to 70 mm daily. Tea growing areas within Bomet, Nyamira and Kisii experienced lower rainfall of less than 30 mm daily. Since the rainfall received within tea growing areas in the West of Rift Valley was either low or moderate, production within the region registered a drop of about 2.77 Million Kgs from 28.66 Million Kgs recorded during the corresponding month of 2021 to 25.88 Million Kgs. Similarly, owing to dry weather conditions within the East of the Rift, production was lower by about 2.21 Million Kgs from 14.52 Million Kgs recorded during the corresponding month of 2021 to 12.31 Million Kgs.

Consequent to dry weather conditions in the East of Rift and lower rainfall in some parts of the West of Rift (Bomet, Nyamira and Kisii) where the smallholder sub-sector



is more widespread, the sub-sector experienced significant production drop of 3.37 Million Kgs from 22.22 Million Kgs recorded during the corresponding month of 2021 to 18.85 Million Kgs. However, decline in production within the Plantation sub-sector was slightly lower by about 1.61 Million Kgs from 20.95 Million Kgs to 19.33 Million Kgs due to moderate rainfall received in some parts of the West of Rift Valley (Kericho and Nandi counties) where the sub-sector is more prevalent.

Cumulative production for the nine-month period was lower by 7.32 Million Kgs to stand at 378.30 Million Kgs against 385.63 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 as the "Short Rains" (October-November-December) are expected to remain depressed (below average) and poorly distributed in both time and space according to the weather forecast by Kenya Meteorological Department.

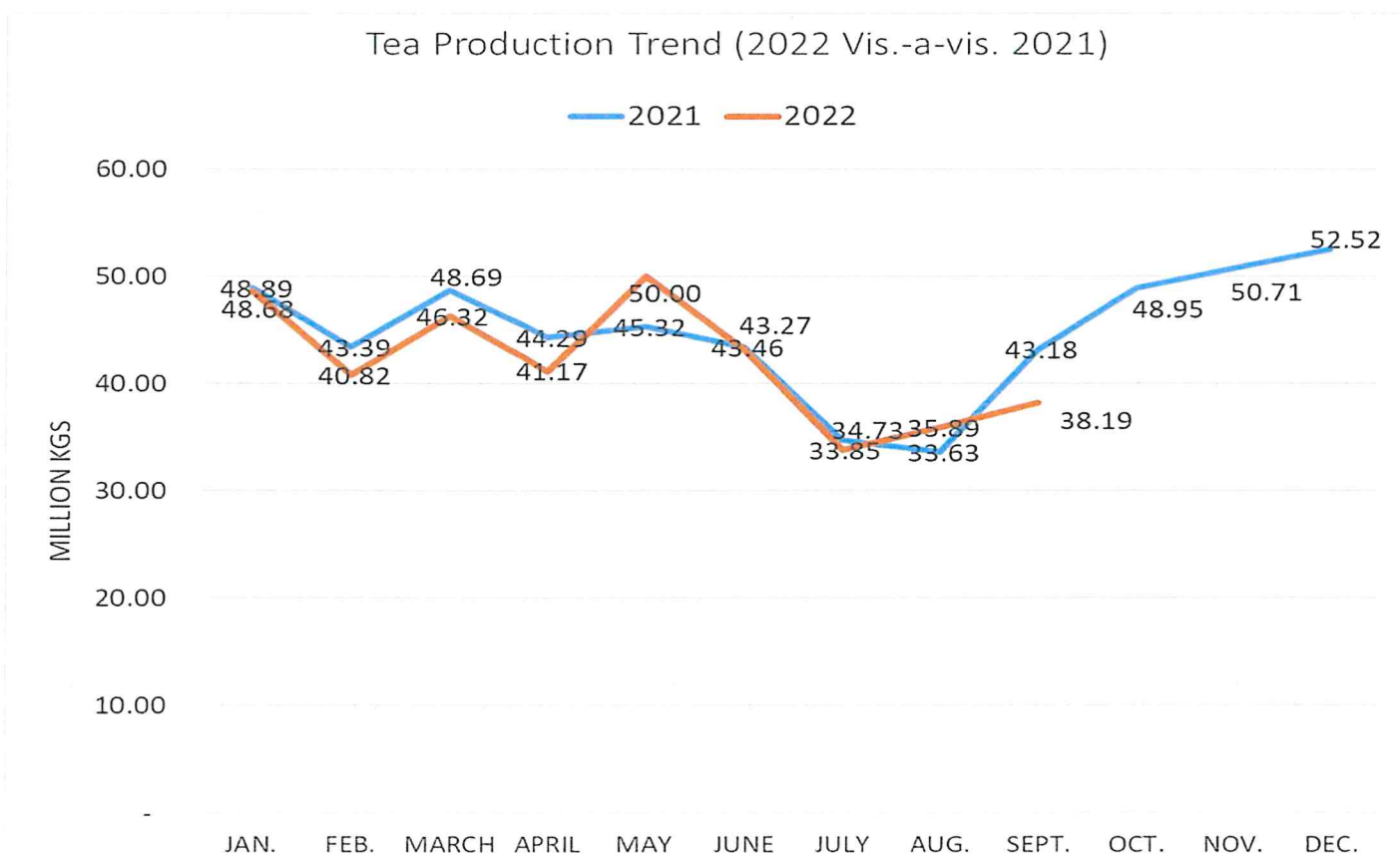


Table 1: Production by Sub-Sector and Region (2022 vis-à-vis 2021)

Sub-Sector	Region	September 2022	September 2021	Variance +/-	Var.(%)	Jan – Sept. 2022	Jan – Sept. 2021	Variance +/-	Var.(%)
Plantation	West of Rift	18,221,198	19,439,903	- 1,218,705	-6.27%	171,850,093	172,050,592	- 200,499	-0.12%
	East of Rift	1,118,332	1,515,964	- 397,632	-26.23%	12,011,811	12,970,801	- 958,991	-7.39%

	Total	19,339,530	20,955,867	- 1,616,337	-7.71%	183,861,903	185,021,394	- 1,159,490	-0.63%
Smallholder	West of Rift	7,663,731	9,220,784	- 1,557,053	-16.89%	88,130,163	88,286,344	- 156,181	-0.18%
	East of Rift	11,192,976	13,008,844	- 1,815,868	-13.96%	106,315,966	112,322,696	- 6,006,730	-5.35%
	Total	18,856,706	22,229,627	- 3,372,921	-15.17%	194,446,129	200,609,040	- 6,162,911	-3.07%
Plantation & Smallholder	West of Rift	25,884,928	28,660,687	- 2,775,759	-9.68%	259,980,256	260,336,937	- 356,681	-0.14%
	East of Rift	12,311,308	14,524,808	- 2,213,500	-15.24%	118,327,776	125,293,497	- 6,965,721	-5.56%
	Total	38,196,236	43,185,494	- 4,989,258	-11.55%	378,308,032	385,630,433	- 7,322,401	-1.90%

TEA SALES

AUCTION

During the month of September, auction sales volume for Kenyan tea stood at 28.30 Million Kgs, which was lower compared to 34.60 Million Kgs recorded in the month of August. However, it was higher in comparison with 25.33 Million Kgs sold in the corresponding period of 2021. Lower sales in September compared to August was attributed to less volume of teas on offer for sale at the auction on account of declining production trend coupled with reduced global demand.

The average auction price for Kenyan tea during the month of September this year was slightly lower at 2.36 USD per Kg compared to 2.39 USD per Kg recorded in August and 2.37 USD per Kg in July. However, it was higher compared to 2.22 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 nine-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 1.98 for the same period of 2021, USD 2.02 in 2020 and USD 2.18 in 2019. During the nine-month period of 2022, tea offered for sale by the smallholder tea factories fetched an average price of USD 2.71 per Kg for the main grades from an average price of USD 2.28 recorded during the period January to September 2021 and USD 2.22 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-September 2022 slackened due to the effect of global economic shock brought about by the Russia-Ukraine crisis. However, lower supply on account of cold weather conditions in July followed by dry weather conditions in the month of August and September did not mitigate against the falling prices occasioned by the global economic recession. During the period between March and September, exporters of tea to Russia and Iran markets were less active in tea buying at the auction.

EXPORTS

The total export volume for the month of September 2022 was lower by 8% from 37.02 Million Kgs recorded in the same period of last year to 34.14 Million Kgs. The export volume was however higher compared to the preceding month of August which recorded 28.37 Million Kgs thereby reversing continued declining trend recorded since the month of May due to effect of Russia-Ukraine crisis. The number of export markets were also higher at forty nine (49) compared to forty five (45) for the same period of last year. Increased volume of export follows enhanced demand in major markets occasioned by cold weather conditions following the onset of winter.

During the month, Pakistan maintained its position as the leading export destination for Kenyan tea having imported 15.04 Million Kgs compared to 11.45 Million Kgs imported during similar period last year. Tea imports by Pakistan from Kenya also recorded improved performance compared to the preceding months of the year and accounted for 44% of the total export volume. Other key export destinations for Kenyan tea were Egypt (4.11 Million Kgs); UK (2.54 Million Kgs); Sudan (1.93 Million Kgs); UAE (1.70 Million Kgs); Russia (1.28 Million Kgs); Saudi Arabia (1.03 Million Kgs); Yemen (0.91 million Kgs); Afghanistan (0.57 Million Kgs); and Kazakhstan (0.56 Million Kgs). The top ten export destinations, majority of which are traditional markets for Kenyan tea accounted for 80% of Kenya tea export volume. Apart from Pakistan; UK; Saudi Arabia; and Afghanistan, 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 Poland; Iran; China; Turkey, India;

Switzerland; USA; Ukraine; Japan; and Germany as well as in seasonal markets such as Hong Kong; Mauritius; Angola; Australia; Azerbaijan; Chad; Djibouti; France; Iraq; Italy; Ivory Coast; Qatar; and Uganda. Notably, a few shipments were recorded in other seasonal and emerging markets such as Burkina Faso; Zambia; Mali; Lithuania; New Zealand; Cote D'ivoire; Israel; DR Congo; Senegal and Benin.

Cumulative export volume for January to September was lower by 21% to stand at 333.35 Million Kgs compared to 426.07 Million Kgs for the nine-month period of last year.

LOCAL TEA SALES

Local tea sales for September 2022 stood at 3.68 Million Kgs against 3.14 Million Kgs for the corresponding period of 2021 while cumulative sales in the local market for the nine months' period up to September 2022 was lower at 24.58 Million Kgs against 27.91 Million Kgs for the same period of 2021 and 30.35 Million Kgs for the nine month period of 2020. Less sales during the year to-September was attributed to lower demand of tea due to reduced purchasing power amongst the consumers occasioned by inflationary pressure on commodity prices. The high rate of inflation was brought about by a multiplicity of factors such as effect of the ongoing global economic recession, weakening of the Kenya Shilling against the USD, increase in fuel prices, anxiety during and after the electioneering period as well as the drought situation in the country. Overall inflation rate for the nine month period of 2022 was higher at an average of 6.37 percent compared to 6.15 percent for the same period of 2021 and 5.29 percent in 2020.

5th October 2022

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

DESTINATION	2022- QUANTITY KGS	2021 - QUANTITY KGS	QUANTITY VARIANCE KGS	%AGE VARIANCE
PAKISTAN	15,043,970	11,454,307	3,589,663	31%
EGYPT	4,117,379	5,910,701	(1,793,322)	-30%
UK	2,547,273	2,462,062	85,211	3%
SUDAN	1,930,790	5,638,602	(3,707,812)	-66%
UAE	1,704,219	1,780,841	(76,622)	-4%
RUSSIA	1,283,464	2,930,090	(1,646,626)	-56%
SAUDI ARABIA	1,033,351	402,752	630,599	157%
YEMEN	917,138	1,148,032	(230,895)	-20%
AFGHANISTAN	578,313	230,952	347,361	150%
KAZAKHSTAN	563,550	647,092	(83,542)	-13%
IRELAND	474,992	393,299	81,693	21%
JORDAN	460,000	113,750	346,250	304%
NIGERIA	404,556	139,595	264,961	190%
INDONESIA	365,267	169,172	196,095	116%
POLAND	283,218	730,751	(447,533)	-61%
SOMALIA	230,986	72,593	158,393	218%
IRAN	205,092	414,262	(209,170)	-50%
MALAYSIA	190,960	50,592	140,368	277%
SOUTH AFRICA	158,816	27,600	131,216	475%
CHINA	149,152	250,204	(101,052)	-40%
NETHERLANDS	145,360	13,200	132,160	1001%
UZBEKISTAN	141,972		141,972	
TURKEY	135,988	228,458	(92,470)	-40%
OMAN	121,213	53,600	67,613	126%
INDIA	120,820	147,932	(27,112)	-18%
SWITZERLAND	120,000	291,928	(171,928)	-59%
BANGLADESH	96,000		96,000	
PERU	69,600		69,600	
USA	69,280	210,626	(141,346)	-67%
TAIWAN	69,080	64,880	4,200	6%
UKRAINE	64,860	267,879	(203,019)	-76%
KYRGYZSTAN	45,000	15,223	29,777	196%
JAPAN	42,240	171,020	(128,780)	-75%
CHILE	35,405		35,405	
SINGAPORE	30,000	10,000	20,000	200%
SRI LANKA	28,000		28,000	
BURKINA FASO	25,872		25,872	
ZAMBIA	24,805		24,805	
GERMANY	23,862	218,034	(194,172)	-89%
HONG KONG	22,680	23,378	(698)	-3%
MALI	15,523		15,523	
LITHUANIA	12,820		12,820	
NEW ZEALAND	12,800		12,800	
COTE D'IVOIRE	10,349		10,349	
ISRAEL	6,950		6,950	
CONGO	5,174		5,174	
SENEGAL	5,174		5,174	

MAURITIUS	4,181	60,000	(55,819)	-93%
BENIN	1,887		1,887	
ANGOLA		24,058	(24,058)	-100%
AUSTRALIA		225	(225)	-100%
AZERBAIJAN		16,517	(16,517)	-100%
CHAD		127,110	(127,110)	-100%
DJIBOUTI		28,006	(28,006)	-100%
FRANCE		8,165	(8,165)	-100%
IRAQ		28,184	(28,184)	-100%
ITALY		4,600	(4,600)	-100%
IVORY COAST		7,764	(7,764)	-100%
QATAR		38,598	(38,598)	-100%
UGANDA		1,915	(1,915)	-100%
TOTAL	34,149,382	37,028,550	(2,879,168)	-8%

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

DESTINATION	2022- QUANTITY KGS	2021- QUANTITY KGS	QUANTITY VARIANCE KGS	%AGE VARIANCE
PAKISTAN	136,376,594	157,949,397	- 21,572,803	-14%
EGYPT	52,344,970	73,297,958	- 20,952,987	-29%
UK	26,179,087	36,158,203	- 9,979,116	-28%
UAE	21,288,708	22,353,225	- 1,064,517	-5%
SUDAN	14,985,733	24,970,859	- 9,985,126	-40%
RUSSIA	13,744,980	23,106,892	- 9,361,912	-41%
YEMEN	13,529,830	12,510,455	1,019,375	8%
KAZAKHSTAN	5,896,982	9,540,905	- 3,643,923	-38%
POLAND	5,506,699	6,946,090	- 1,439,391	-21%
AFGHANISTAN	5,326,614	1,589,435	3,737,179	235%
SAUDI ARABIA	4,844,800	2,708,760	2,136,040	79%
IRELAND	3,524,406	3,981,582	- 457,176	-11%
NIGERIA	3,500,771	4,893,032	- 1,392,261	-28%
IRAN	3,240,357	5,111,617	- 1,871,260	-37%
JORDAN	2,457,000	1,311,250	1,145,750	87%
INDONESIA	2,270,690	1,809,445	461,245	25%
INDIA	1,841,021	3,536,677	- 1,695,656	-48%
SWITZERLAND	1,775,486	3,860,788	- 2,085,302	-54%
MALAYSIA	1,744,496	1,708,246	36,250	2%
JAPAN	1,611,437	2,698,811	- 1,087,374	-40%
USA	1,293,225	2,558,977	- 1,265,753	-49%
CHINA	1,247,562	4,374,493	- 3,126,931	-71%
TURKEY	1,156,547	1,525,907	- 369,360	-24%
SOUTH AFRICA	1,068,068	1,020,376	47,692	5%
UKRAINE	1,053,962	2,039,388	- 985,426	-48%
NETHERLANDS	1,035,370	2,735,485	- 1,700,115	-62%
PERU	968,960	117,080	851,880	728%
SOMALIA	867,768	988,089	- 120,321	-12%
QATAR	781,761	1,001,318	- 219,557	-22%
UZBEKISTAN	651,666	1,153,534	- 501,868	-44%
BANGLADESH	645,600	598,800	46,800	8%
OMAN	608,600	857,398	- 248,798	-29%
GERMANY	498,205	942,480	- 444,275	-47%
MAURITIUS	403,465	297,400	106,065	36%
GHANA	390,847	452,992	- 62,145	-14%
SRI LANKA	363,654	1,576,114	- 1,212,460	-77%
CANADA	270,040	554,000	- 283,960	-51%
KYRGYZSTAN	204,724	341,768	- 137,044	-40%
MYANMAR	159,728	133,067	26,661	20%
TAIWAN	155,518	342,460	- 186,942	-55%
CHILE	148,327	2,134	146,193	6850%
DJIBOUTI	140,350	198,284	- 57,934	-29%

CHAD	132,180	844,261	-	712,081	-84%
ERITREA	130,000	130,000	-	-	0%
FINLAND	109,714	33,608		76,106	226%
SINGAPORE	105,580	114,500	-	8,920	-8%
ZAMBIA	99,220			99,220	
NEW ZEALAND	89,600	76,800		12,800	17%
BURKINA FASO	87,792			87,792	
AZERBAIJAN	71,270	97,787	-	26,517	-27%
HONG KONG	71,040	182,410	-	111,370	-61%
MEXICO	48,809	54,000	-	5,191	-10%
ESTONIA	46,700			46,700	
COTE D'IVOIRE	36,134			36,134	
ISRAEL	35,007	48,000	-	12,993	-27%
MALI	35,002	10,348		24,654	238%
BRAZIL	27,084	36,321	-	9,237	-25%
LITHUANIA	25,905	7,224		18,681	259%
TANZANIA	21,100	20,220		880	4%
IRAQ	12,998	189,326	-	176,328	-93%
ITALY	11,000	28,460	-	17,460	-61%
GABON	10,349			10,349	
SENEGAL	10,349	5,174		5,175	100%
BAHRAIN	8,496	12,412	-	3,916	-32%
ANGOLA	6,168	24,058	-	17,890	-74%
GUINEA	5,472	5,472		-	0%
CONGO	5,174	8,107	-	2,932	-36%
TOGO	5,174			5,174	
BENIN	1,887			1,887	
AUSTRALIA	1,380	225		1,155	513%
FRANCE	500	8,165	-	7,665	-94%
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%
ISLE OF MAN		24,000	-	24,000	-100%
IVORY COAST		7,764	-	7,764	-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		5,433	-	5,433	-100%
VIETNAM		71,174	-	71,174	-100%
Grand Total	337,356,475	426,077,259	-	88,720,784	-21%

