

KENYA TEA INDUSTRY PERFORMANCE HIGHLIGHTS FOR THE MONTH OF FEBRUARY 2011

1.0 PRODUCTION

Following the continued hot and dry weather conditions experienced in tea growing areas during the month of February 2011, the industry recorded a drop in production of 8.1 Million Kgs (23%) from 34.8 Million Kgs recorded in February 2010 to 26.7 Million Kgs. The drought affected production in all tea growing regions owing to lower supply of green leaf to the factories. In addition to the impact of drought, green leaf supply within the West of Rift was also affected by incidences of frost in a few areas which was caused by extreme temperatures recorded during the month.

Within the East of Rift, production was lower by 5.5 Million Kgs (36%) from 15.3 Million Kgs recorded in February 2010 to 9.7 Million Kgs. West of Rift recorded lower output of 2.6 Million Kgs (13%) from 19.5 Million Kgs recorded in February 2010 to 16.9 Million Kgs. The smallholder sub-sector recorded a drop of 5.3 Million Kgs from 20.8 Million Kgs to 15.5 Million Kgs while the plantation sub-sector registered less production by 2.7 Million Kgs from 13.9 Million Kgs to 11.1 Million Kgs.

Due to lower green leaf supplies during the month, most factories were operating below their normal production capacities. In addition, tea plucking cycle was reduced from six to four days in a week. However the situation may change in the next two months with the onset of the Long rains.

Table 1: Tea Production for the Month of February in Kgs (2011 Vis-a Vis 2010)

Sector	Region	February 2011	February 2010	Variance	Var.(%)
Plantation	West of Rift	10,319,173	12,243,673	- 1,924,500	-15.72%
	East of Rift	874,286	1,715,491	- 841,205	-49.04%
	Total	11,193,459	13,959,164	- 2,765,705	-19.81%
Smallholder	West of Rift	6,626,663	7,285,935	- 659,272	-9.05%
	East of Rift	8,890,513	13,588,703	- 4,698,190	-34.57%
	Total	15,517,176	20,874,638	- 5,357,462	-25.66%
Plantation & Smallholder	West of Rift	16,945,836	19,529,608	- 2,583,772	-13.23%
	East of Rift	9,764,799	15,304,194	- 5,539,395	-36.20%
	Total	26,710,635	34,833,802	- 8,123,167	-23.32%

2.0 SALE

2.01 AUCTION

The amount of Kenya tea sold through the auction for the month of February stood at 18.7 Million kgs, which was 15% higher compared to 21.4 Million kgs recorded in February 2010. The average price for Kenyan tea dropped slightly to USD 3.07 per Kg compared to USD 3.13 recorded in February 2010.

2.02 EXPORTS

During the month of February 2011, a total of 32.2 Million Kgs of Kenyan tea was exported to 33 market destinations. This amount of tea was 5.3 Million Kgs less compared to 37.5 Million Kgs exported to the same number of destinations during the corresponding month of 2010. Lower export volume was largely attributed to less shipment to Egypt during the first two weeks of the month owing to political unrest experienced within the country. The unrest in Egypt, which lasted for a month affected trade and business transactions in the country between January and February consequent to which, Kenya tea exports to Egypt dropped to 5.7 Million Kgs compared to 9 Million Kgs recorded in February last year. However, tea imports by Egypt have now gone back to normal.

During the month, Pakistan was the leading export destination having imported 7.1 Million Kgs, which accounted for 24% of the total exports. UK, imported 5.0 Million Kgs while Afghanistan and UAE imported 2.7 Million Kgs and 2.1 Million Kgs of Kenyan tea respectively. The top five markets accounted for 71% of total volume exported while the other markets accounted for 29%.

2.03 LOCAL CONSUMPTION

The local tea consumption for February 2011 increased from 1.31 Million Kgs recorded in February 2010 to 1.59 Million Kgs.

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Table 2: Tea Exports by Destination (February 2011 Vis-à-vis. 2010)

DESTINATION	2011 QUANTITY	2010 QUANTITY	QUANTITY	% AGE
	KGS	KGS	DIFF KGS	DIFF.
PAKISTAN	7,150,883	4,668,776	2,482,107	53%
EGYPT	5,740,489	9,083,849	- 3,343,360	-37%
UK	5,015,533	6,738,774	- 1,723,241	-26%
AFGHANISTAN	2,795,101	5,601,427	- 2,806,326	-50%
U.A.E	2,132,272	1,643,306	488,966	30%
SUDAN	1,696,526	1,657,146	39,380	2%
YEMEN	1,493,477	1,722,670	- 229,193	-13%
KAZAKHSTAN	1,459,355	632,949	826,406	131%
RUSSIA	1,075,688	1,336,379	- 260,691	-20%
INDIA	503,031	275,880	227,151	82%
NIGERIA	411,359	300,079	111,280	37%
POLAND	389,588	531,241	- 141,653	-27%
SRI LANKA	255,064	267,892	- 12,828	-5%
DJIBOUTI	241,476	438,116	- 196,640	-45%
CHINA	215,108	75,469	139,639	185%
INDONESIA	208,960	273,655	- 64,695	-24%
S . ARABIA	182,630	53,480	129,150	241%
SOMALIA	171,513	247,162	- 75,649	-31%
JAPAN	166,476	154,200	12,276	8%
USA	146,120	309,256	- 163,136	-53%
IRAN	124,080	280,385	- 156,305	-56%
BANGLADESH	103,480	-	103,480	0%
MALAYSIA	97,240	85,198	12,042	14%
CANADA	89,200	91,260	- 2,060	-2%
OMAN	81,324	-	81,324	0%
IRELAND	75,385	278,146	- 202,761	-73%
CHILE	53,116	93,740	- 40,624	-43%
S . AFRICA	52,623	50,280	2,343	5%
GERMANY	28,000	60,446	- 32,446	-54%
ITALY	26,250	17,500	8,750	50%
TURKEY	25,998	372,988	- 346,990	-93%
BELGIUM	23,546	-	23,546	0%
SINGAPORE	8,100	7,800	300	4%
NETHERLANDS	-	159,800	- 159,800	0%
UKRAINE	-	46,859	- 46,859	0%
PUERTO RICO	-	33,312	- 33,312	0%
GAND TOTAL	32,238,991	37,589,420	- 5,350,429	-14%