

KENYA TEA INDUSTRY PERFORMANCE HIGHLIGHTS FOR APRIL 2011

PRODUCTION

Tea production for the month of April 2011 stood at 31.4 Million Kgs, which was 12% lower compared to 35.8 Million Kgs recorded during the corresponding month of 2010. Lower production compared to the same period of last year was largely attributed to depressed and poorly distributed rainfall occasioned by La Niña weather phenomenon as opposed to higher rainfall amounts that is normally experienced during the month of April.

Compared to the month of April 2010, tea growing areas West of Rift recorded a lower output by 13.9% (2.8 Million Kgs) from 20.4 Million Kgs to 17.5 Million Kgs. Within the East of Rift, production was lower by 9.9% (1.5 Million Kgs) from 15.4 Million Kgs recorded in April 2010 to 13.9 Million Kgs. Consequently, production for the plantation sub-sector, which is more widespread within the West of Rift declined by 18.8% (2.7 Million Kgs) from 14.4 Million Kgs to 11.6 Million Kgs.

The smallholder sub-sector, which has a wider coverage within the East of Rift recorded a production decline of 7.7% (1.6 Million Kgs) from 21.4 Million Kgs to 19.7 Million Kgs.

Owing to hot and dry weather conditions experienced in the months of January to March and depressed rainfall in April, cumulative tea production for the period January to April 2011 stood at 116.6 Million Kgs, which was lower by 20.9% (30.9 Million Kgs) compared to the output of 147.5 Million Kgs recorded during the first four months of 2010. Going by the Kenya tea industry production performance for the first four months of the year, production for the year is likely to be lower by 10% (39 Million Kgs) from 399 Million Kgs recorded last year to 360 Million Kgs.

Table 1: Production by Sector and Region (2011 vis-à-vis 2010)

Sector	Region	April 2011	April 2010	Var. +/-	Var. (%)	Jan - April 2011	Jan - April 2010	Var. +/-	Var. (%)
Plantation	West of Rift	10,352,120	12,631,164	- 2,279,044	-18.04%	41,949,857	53,280,381	-11,330,524	-21.27%
	East of Rift	1,333,657	1,774,464	- 440,807	-24.84%	4,655,428	7,036,028	- 2,380,600	-33.83%
	Total	11,685,777	14,405,628	- 2,719,851	-18.88%	46,605,285	60,316,409	-13,711,124	-22.73%
Smallholder	West of Rift	7,214,800	7,779,517	- 564,717	-7.26%	27,226,563	31,955,473	- 4,728,910	-14.80%
	East of Rift	12,581,672	13,671,365	-1,089,693	-7.97%	42,819,545	55,306,634	- 12,487,089	-22.58%
	Total	19,796,472	21,450,882	-1,654,410	-7.71%	70,046,108	87,262,107	- 17,215,999	-19.73%
Plantation & Smallholder	West of Rift	17,566,920	20,410,681	-2,843,761	-13.93%	69,176,420	85,235,854	-16,059,434	-18.84%
	East of Rift	13,915,329	15,445,829	-1,530,500	-9.91%	47,474,973	62,342,662	-14,867,689	-23.85%
	Total	31,482,249	35,856,510	- 4,374,261	-12.20%	116,651,393	147,578,516	- 30,927,123	-20.96%

TEA SALES

AUCTION

During the month of April 2011, 13.8 Million kgs of Kenyan tea was sold through Mombasa Auction. The amount of tea Auction sales for the month was 31% lower compared to 19.9 Million kgs recorded in April 2010 due to lower production occasioned by depressed rainfall. Consequently, the average tea prices for the month was slightly higher at USD 2.87 per Kg compared to USD 2.82 recorded in April 2010. Due to lower production, cumulative auction sales for Kenyan tea during January-April period were slightly lower at 79.7 Million Kgs against 92.1 Million Kgs recorded during the same period last year while the average Auction prices were slightly higher at USD 3.02 per Kg compared to USD 3.00.

EXPORTS

During the month of April 2011, the total export volume stood at 32.1 Million Kgs, which was marginally higher by 1% compared to 31.8 Million Kgs recorded same period of last year. Cumulative export volume for January-April was also lower at 139.6 Million Kgs against 148.8 Million Kgs recorded during the first four months of 2010.

During the month of April, Kenya tea was shipped to thirty seven (37) export destinations. Pakistan was the leading export destination for Kenyan tea having imported 6.4 million Kgs of tea, which accounted for 20% of Kenya tea export volume. Other key export destinations for Kenyan tea were Afghanistan which imported 5.8 Million Kgs, Egypt (5.1 Million Kgs), UK (4.5 Million Kgs), and UAE (1.8 Million Kgs). The five export destinations accounted for 74% of Kenya tea export volume. Amongst the five export destinations, the Pakistan market recorded the highest growth for Kenya tea exports at 70% compared to the same period of last year, followed by Afghanistan (39%) and UAE (36%). Other key and emerging markets that imported higher volume of tea from Kenya include Yemen (54%), Kazakhstan (63%), Poland (186%), and Iran (245%). However, due to fluctuation in seasonal demand, Egypt and UK recorded a drop of 34% and 15% respectively while Sudan imported less by 54% compared to the same period of last year.

LOCAL CONSUMPTION

The local tea consumption for the month of April 2011 stood at 1.78 Million Kgs, which was 19% higher compared to 1.49 Million Kgs recorded the same period of last year. The increase in local tea consumption is attributable to sustained local generic promotion of tea by the Tea Board of Kenya as well as enhanced brand promotion by the tea packers.

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MANAGING DIRECTOR

THE TEA BOARD OF KENYA

20TH MAY 2011

Table 2: KENYA Tea Exports by Destination (April 2011 vis-à-vis 2010)

DESTINATION	2011 QUANTITY KGS	2010 QUANTITY KGS	QUANTITY DIFF. KGS	% VARIANCE
PAKISTAN	6,443,575.00	3,783,769	2,659,806	70%
AFGHANISTAN	5,832,053.00	4,205,226	1,626,827	39%
EGYPT	5,190,108.00	7,841,841	-2,651,733	-34%
UK	4,532,508.00	5,305,905	-773,397	-15%
U.A.E	1,854,567.00	1,364,666	489,901	36%
SUDAN	1,359,789.00	2,963,219	-1,603,430	-54%
YEMEN	1,198,649.00	778,020	420,629	54%
RUSSIA	1,024,220.00	1,380,424	-356,204	-26%
KAZAKHSTAN	738,590.00	452,489	286,101	63%
POLAND	570,050.00	199,280	370,770	186%
IRELAND	466,357.00	549,235	-82,878	-15%
INDIA	449,062.00	321,238	127,824	40%
NIGERIA	275,679.00	436,479	-160,800	-37%
IRAN	269,910.00	78,134	191,776	245%
CHINA	237,504.00	128,888	108,616	84%
CANADA	202,596.00	26,400	176,196	667%
U.S.A.	178,697.00	226,044	-47,347	-21%
SRI LANKA	153,635.00	157,225	-3,590	-2%
GERMANY	145,600.00	59,760	85,840	144%
SOMALIA	139,939.00	350,883	-210,944	-60%
UKRAINE	134,339.00	67,895	66,444	98%
SAUDI ARABIA	130,960.00	97,548	33,412	34%
JAPAN	122,480.00	118,040	4,440	4%
INDONESIA	119,126.00	205,163	-86,037	-42%
DJIBOUTI	84,000.00	203,432	-119,432	-59%
CHILE	52,988.00	79,468	-26,480	-33%
TURKEY	52,000.00	109,392	-57,392	-52%
SWITZERLAND	39,000.00		39,000	
MALAYSIA	29,650.00	70,355	-40,705	-58%
SOUTH AFRICA	27,999.00	40,692	-12,693	-31%
ITALY	26,250.00	35,000	-8,750	-25%
KYRGYZSTAN	25,300.00		25,300	
BELGIUM	22,680.00		22,680	
SINGAPORE	20,140.00		20,140	
OMAN	14,160.00	43,234	-29,074	-67%
NEW ZEALAND	12,800.00		12,800	
AUSTRALIA	1,035.00		1,035	
ERITREA		130,000	-130,000	-100%
NETHERLANDS		50,260	-50,260	-100%
SYRIA		11,000	-11,000	-100%
GTOTAL	32,177,995.00	31,870,604	307,391	1%