

KENYA TEA INDUSTRY PERFORMANCE HIGHLIGHTS FOR MAY 2011

PRODUCTION

Tea production for the month of May 2011 stood at 32.8 Million Kgs, 7% lower compared to 35.6 Million Kgs recorded during the corresponding month of 2010.

Lower production was largely attributed to depressed and poorly distributed rain fall pattern experienced in most tea growing areas during the month of May.

West of Rift was the most affected with its tea output dropping by 9.1% from 21.3 Million Kgs recorded in May 2010 to 19.3 Million Kgs. Within the East of Rift production was lower by 5.6% from 14.2 Million Kgs recorded in May 2010 to 13.4 Million Kgs.

Compared to the month of May 2010, tea output within smallholder sub-sector decreased by 6.8% from 20.9 Million Kgs to 19.5 Million Kgs while that of the Plantation sub-sector recorded a 9.1% decrease from 14.6 Million Kgs to 13.3 Million Kgs.

As a consequence of poor rainfall, cumulative tea production for the period January-May stood at 149.5 Million Kgs, which was 18% lower compared to 183.1 Million Kgs recorded during the same period of 2010.

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

Sector	Region	May 2011	May 2010	Variance	Var.(%)	Jan - May 2011	Jan - May 2010	Variance +/-	Var.(%)
Plantation	West of Rift	11,991,431	13,072,068	- 1,080,637	-8.27%	53,941,288	66,352,449	- 12,411,161	-21.27%
	East of Rift	1,357,603	1,614,107	- 256,504	-15.89%	6,013,031	8,650,135	- 2,637,104	-33.83%
	Total	13,349,034	14,686,175	- 1,337,141	-9.10%	59,954,319	75,002,584	- 15,048,265	-22.73%
Smallholder	West of Rift	7,380,006	8,249,012	- 869,006	-10.53%	34,606,569	40,204,485	- 5,597,916	-14.80%
	East of Rift	12,126,804	12,683,262	- 556,458	-4.39%	54,946,349	67,989,896	- 13,043,547	-22.58%
	Total	19,506,810	20,932,274	- 1,425,464	-6.81%	89,552,918	108,194,381	- 18,641,463	-19.73%
Plantation & Smallholder	West of Rift	19,371,437	21,321,080	- 1,949,643	-9.14%	88,547,857	106,556,934	- 18,009,077	-18.84%
	East of Rift	13,484,407	14,297,369	- 812,962	-5.69%	60,959,380	76,640,031	- 15,680,651	-23.85%
	Total	32,855,844	35,618,449	- 2,762,605	-7.76%	149,507,237	183,196,965	- 33,689,728	-20.96%

TEA SALES

AUCTION

During the month of May 2011, 25.5 Million kgs of Kenyan tea was sold through Mombasa Auction. The amount of tea sales for the month was 23% lower compared to 33.1 Million kgs recorded in May 2010. The average tea auction prices was slightly higher at USD 2.88 per Kg compared to USD 2.53 recorded in May 2010.

EXPORTS

During the month of May, the total export volume stood at 34.4 Million Kgs, which was 11% higher compared to 31.0 Million Kgs recorded same period of last year.

During the month, Kenya tea was shipped to thirty seven (37) export destinations. Egypt was the leading export destination for Kenyan tea having imported 6.4 million Kgs of tea from Kenya, which accounted for 19% of Kenya's tea export volume. Other key export destinations for Kenyan tea were UK which imported 5.5 Million Kgs, Afghanistan (4.4 Million Kgs) Pakistan (4.1 Million Kgs), and Sudan (3.7 Million Kgs). The five export destinations accounted for 71% of Kenya tea export volume. Amongst these traditional markets, Sudan recorded the highest growth in Kenya tea export at 99% compared to the same period of last year, followed by UK (49%) and Afghanistan (10%). Notably, most markets imported a relatively higher volume of tea during the month of May compared to the same period of last year in anticipation of less supplies due to the cessation of the "Long Rains Season".

LOCAL CONSUMPTION

The local tea consumption for the month of May 2011 stood at 2.04 million Kgs, 30% higher compared to 1.56 Million Kgs recorded in corresponding period of 2010 largely as a result of sustained promotion campaign by the Board as well as intensive brand promotion by the tea packers.

Sicily K. Kariuki (Mrs.) M.B.S.

MANAGING DIRECTOR

THE TEA BOARD OF KENYA

16TH JUNE 2011

Table 2: Kenya Tea Exports by Destination (May 2011 vis-à-vis May 2010)

	May 2011	May 2010		
DESTINATION	<u>QUANTITY</u>	<u>QUANTITY</u>	<u>QUANTITY</u>	<u>%AGE</u>
	KGS	KGS	DIFF.	VARIANCE
EGYPT	6,447,281	7,386,154	-938,873	-13%
UK	5,521,836	3,715,623	1,806,213	49%
AFGHANISTAN	4,414,262	3,997,952	416,310	10%
PAKISTAN	4,148,203	5,771,162	-1,622,959	-28%
SUDAN	3,782,007	1,904,455	1,877,552	99%
YEMEN	1,517,868	1,363,396	154,472	11%
RUSSIA	1,489,210	1,400,908	88,302	6%
U.A.E	1,472,150	1,218,057	254,093	21%
KAZAKHSTAN	908,647	875,179	33,468	4%
IRAN	905,280	196,728	708,552	360%
NIGERIA	603,039	179,108	423,931	237%
SOMALIA	428,740	136,856	291,884	213%
IRELAND	362,528	369,805	-7,277	-2%
U.S.A.	331,898	262,067	69,831	27%
SAUDI ARABIA	302,019	147,892	154,127	104%
SRI LANKA	232,408	140,630	91,778	65%
INDIA	212,060	204,640	7,420	4%
JAPAN	173,591	214,660	-41,069	-19%
POLAND	160,293	228,704	-68,411	-30%
DJIBOUTI	147,000	59,724	87,276	146%
NETHERLANDS	122,012	75,088	46,924	62%
CANADA	97,480	23,500	73,980	315%
UKRAINE	90,195	73,844	16,351	22%
OMAN	79,976	84,404	-4,428	-5%
INDONESIA	73,096	170,976	-97,880	-57%
SOUTH AFRICA	67,135	74,913	-7,778	-10%
MALAYSIA	66,893	82,760	-15,867	-19%
TURKEY	55,008	292,288	-237,280	-81%
CHILE	53,700	52,240	1,460	3%
CHINA	37,520	122,172	-84,652	-69%
GERMANY	31,211	49,810	-18,599	-37%
KYRGYZSTAN	25,575	-	25,575	3%
SINGAPORE	16,980	25,380	-8,400	-33%
BELGIUM	11,280	-	11,280	0%
GREECE	10,000	-	10,000	0%
ITALY	8,750	-	8,750	0%
TAIWAN	5,250	3,850	1,400	36%
SYRIA	-	54,400	-54,400	0%
PUERTO RICO	-	33,312	-33,312	0%
NEWZEALAND	-	10,280	-10,280	0%
EPZ(MSA)	-	980	-980	0%
GTOTAL	34,412,381	31,003,897	3,408,484	11%