



TEA BOARD OF KENYA

Realizing the Tea Promise

KENYA TEA INDUSTRY PERFORMANCE HIGHLIGHTS FOR MARCH 2023 **PRODUCTION**

Tea production for the month of March 2023 dropped significantly by 15.9 Million Kgs to 30.44 Million Kgs from 46.48 Million Kgs recorded in during the same period of last year and was the lowest production ever recorded during the month since the year 2020. Despite the onset of the “Long Rains” season in the second week of March, production during the month was also lower by 2.49 Million Kgs compared to 32.73 Million Kgs recorded in February. Significant drop in production was on account of adverse sunny and dry weather conditions in most parts of the tea growing areas coupled with high and above average temperatures experienced during the month of February and the beginning of March which caused intense moisture stress within the tea farms. As a result, output in the West of Rift dropped significantly by 10.98 Million Kgs from 31.47 Million Kgs recorded during the same month of 2022 to 20.49 Million Kgs. Similarly, compared to march last year, production within the East of Rift was lower by 5 Million Kgs from 14.99 Million Kgs to 9.99 Million Kgs.

Across the sub-sectors, production within the smallholder was the most affected as the sub-sector has a wider coverage both in the East and West of Rift. Output within the sub-sector recorded a significant drop of 9.74 Million Kgs from 25.22 Million Kgs recorded during the corresponding month of 2022 to 15.48 Million Kgs. Within the Plantation sub-sector, drop in output



was slightly lower at 6.24 Million Kgs from 21.24 Million Kgs to 15.95 Million Kgs.

Due to low output in the months of February and March respectively, tea production for the first quarter of 2023 dropped by 18.12 Million Kgs to stand at 136.26 Million Kgs against 118.13 Million Kgs.

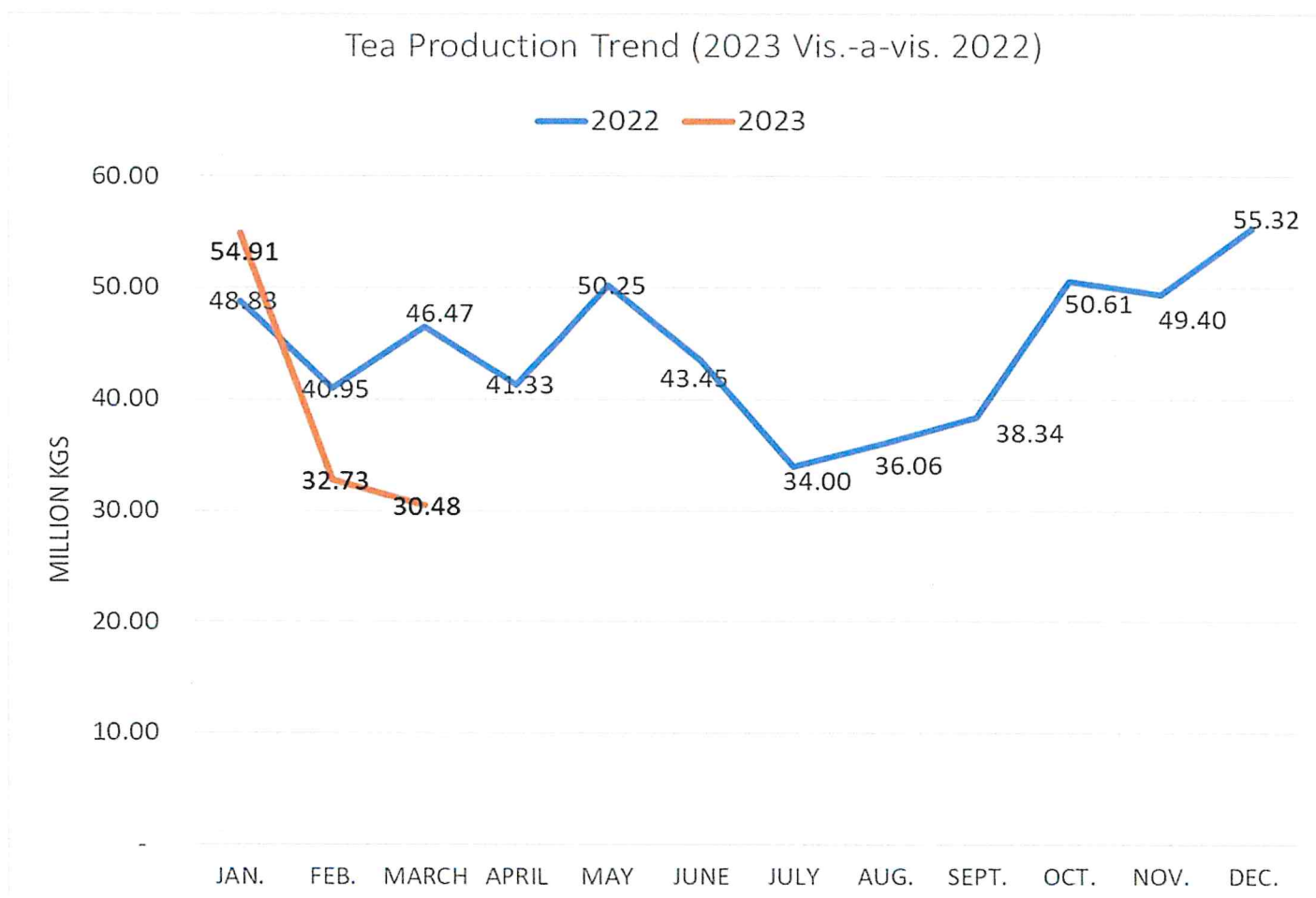


Table 1: Production by Sub-Sector and Region (2023 vis-à-vis 2022)

| Sub-Sector | Region | March -23 | March -22 | Variance | Var.(%) | Jan - March 2023 | Jan - March 2022 | Variance +/- | Var.(%) |
|--------------------------|--------------|-------------------|-------------------|---------------------|-------------|--------------------|--------------------|---------------------|----------------|
| Plantation | West of Rift | 14,408,593 | 19,775,075 | - 5,366,482 | -27% | 53,783,121 | 52,620,668 | 1,162,453 | 2.21% |
| | East of Rift | 594,543 | 1,472,167 | - 877,624 | -60% | 3,723,902 | 5,076,389 | - 1,352,487 | -26.64% |
| | Total | 15,003,136 | 21,247,242 | - 6,244,106 | -29% | 57,507,022 | 57,697,057 | - 190,035 | -0.33% |
| Smallholder | West of Rift | 6,083,359 | 11,702,937 | - 5,619,578 | -48% | 24,518,690 | 33,716,324 | - 9,197,634 | -27.28% |
| | East of Rift | 9,402,298 | 13,525,983 | - 4,123,685 | -30% | 36,112,538 | 44,851,781 | - 8,739,243 | -19.48% |
| | Total | 15,485,658 | 25,228,920 | - 9,743,262 | -39% | 60,631,229 | 78,568,105 | - 17,936,877 | -22.83% |
| Plantation & Smallholder | West of Rift | 20,491,952 | 31,478,012 | - 10,986,060 | -35% | 78,301,811 | 86,336,992 | - 8,035,181 | -9.31% |
| | East of Rift | 9,996,841 | 14,998,150 | - 5,001,309 | -33% | 39,836,440 | 49,928,170 | - 10,091,730 | -20.21% |
| | Total | 30,488,793 | 46,476,162 | - 15,987,369 | -34% | 118,138,251 | 136,265,162 | - 18,126,911 | -13.30% |

TEA SALES

AUCTION

During the month of March, auction sales volume for Kenya tea stood at 35.42 Million Kgs, which was lower compared to 45.29 Kgs Million recorded in the corresponding month of last year. Despite lower sales volume, the average monthly auction price for Kenya tea was lower at 2.39 USD per Kg against 2.59 USD for the same period of 2022. However, tea offered for sale by the smallholder tea factories fetched a higher price at an average of 2.70 USD per Kg for the main grades, compared to an average price of 2.65 USD recorded in March last year.

Lower sales volume was due to the effect of economic recession facing the global markets especially Pakistan, Egypt, Sudan, and Russia, which are the largest markets for Kenya tea. The effect of global economic shock on auction volume and prices has been ongoing since the commencement of Russia-Ukraine crisis towards the end of February 2022. The crisis has created inflationary pressure in most economies, shortages of forex reserves and low consumer purchasing power.

EXPORTS

The total export volume for the month of March 2023 was lower by 29% (12.76 Million Kgs) from 44.42 Million Kgs recorded in the same period of last year to 31.66 Million Kgs. However, it was slightly improved compared to 30.18 Million Kgs recorded in February but lower compared to 32.72 Million Kgs exported during the month of January. Lower export volume was due to less imports by Pakistan, Egypt and Sudan, and UAE whose combined volume of imports was less by 14.13 Million Kgs owing to challenges of forex reserves affecting these markets and shipping logistics occasioned by the effect of the Russia-Ukraine crisis. Compared to the previous months, tea exports to Pakistan in the month of February and March were affected

significantly by tightened payment terms on all imports imposed by the Central Bank of Pakistan which was aimed at easing economic crisis triggered by shortage of foreign exchange.

During the month on March, Kenya tea was shipped to forty eight (48) export destinations compared to to forty seven (47) for the same period of last year. Despite payment challenges, Pakistan maintained its position as the leading export destination for Kenya tea having imported 8.03 Million Kgs, which accounted for 25% of the total export volume. Other key export destinations for Kenyan tea were Egypt (7.74 Million Kgs), UK (2.53 Million Kgs), Iran (2.07 Million Kgs), Yemen (1.87 Million Kgs), Afghanistan (1.14 Million Kgs), Russia (1.12 Million Kgs), UAE (0.84 Million Kgs), Sudan (0.75 Million Kgs), and Saudi Arabia (0.74 Million Kgs). The top ten export destinations, majority of which are traditional markets for Kenyan tea accounted for 85% of Kenya tea export volume. Apart from Iran; Yemen; Afghanistan; Russia and Saudi Arabia, the other traditional markets recorded less imports for Kenya tea. However, compared to the month of February, there was improvements in imports by Egypt, Yemen; Russia; and Saudi Arabia.

In comparison to the same period of last year, there was significant increase in exports to other traditional and emerging markets such as India; Somalia; and Djibouti. During the month, there were shipments to seasonal markets such as Ukraine; Spain; Uzbekistan; Romania; Cote D'ivoire; Israel; Brazil; Bahrain; France; and Vietnam.

LOCAL TEA SALES

Local tea sales for March 2023 stood at 2.97 Million Kgs against 2.97 Million Kgs for the corresponding period of 2022 while cumulative tea sales for the three months period up to March 2023 was 8.91 Million Kgs against 7.60 Million Kgs for the same period of 2022.

14TH MAY 2023

Table 2: Kenya Tea Exports by Destination (March 2023 vis-à-vis March 2022)

| DESTINATION | QUANTITY | QUANTITY | QUANTITY | %AGE |
|---------------|-----------|------------|------------|----------|
| | KGS | KGS | DIFF. | VARIANCE |
| PAKISTAN | 8,026,661 | 16,212,642 | -8,185,981 | -50% |
| EGYPT | 7,736,920 | 10,261,560 | -2,524,640 | -25% |
| UK | 2,525,076 | 3,258,431 | -733,355 | -23% |
| IRAN | 2,067,966 | 129,850 | 1,938,116 | 1493% |
| YEMEN | 1,871,352 | 1,578,386 | 292,966 | 19% |
| AFGHANISTAN | 1,138,898 | 697,697 | 441,201 | 63% |
| RUSSIA | 1,120,781 | 686,072 | 434,709 | 63% |
| UAE | 841,059 | 2,097,886 | -1,256,828 | -60% |
| SUDAN | 745,596 | 2,910,598 | -2,165,002 | -74% |
| SAUDI ARABIA | 740,405 | 561,550 | 178,855 | 32% |
| KAZAKHSTAN | 480,636 | 725,451 | -244,815 | -34% |
| JORDAN | 478,690 | 459,500 | 19,190 | 4% |
| INDIA | 429,608 | 234,345 | 195,263 | 83% |
| IRELAND | 419,932 | 495,964 | -76,032 | -15% |
| SOMALIA | 296,787 | 69,880 | 226,907 | 325% |
| POLAND | 252,913 | 721,095 | -468,182 | -65% |
| PERU | 247,440 | 78,321 | 169,119 | 216% |
| NIGERIA | 243,864 | 696,722 | -452,858 | -65% |
| SWITZERLAND | 212,285 | 292,092 | -79,807 | -27% |
| OMAN | 185,060 | 159,290 | 25,770 | 16% |
| CHINA | 138,561 | 130,520 | 8,041 | 6% |
| JAPAN | 127,860 | 162,680 | -34,820 | -21% |
| TURKEY | 119,392 | 91,340 | 28,052 | 31% |
| SOUTH AFRICA | 113,956 | 129,454 | -15,498 | -12% |
| QATAR | 99,232 | 168,509 | -69,277 | -41% |
| GERMANY | 93,688 | 121,270 | -27,582 | -23% |
| UKRAINE | 86,564 | | 86,564 | #DIV/0! |
| USA | 86,085 | 104,480 | -18,395 | -18% |
| DJIBOUTI | 84,410 | 44,350 | 40,060 | 90% |
| SPAIN | 74,728 | | 74,728 | #DIV/0! |
| SRI LANKA | 69,266 | 74,620 | -5,354 | -7% |
| MALAYSIA | 69,048 | 61,600 | 7,448 | 12% |
| NETHERLANDS | 63,620 | 329,956 | -266,336 | -81% |
| CANADA | 58,520 | 1,800 | 56,720 | 3151% |
| TAIWAN | 57,530 | 21,940 | 35,590 | 162% |
| UZBEKISTAN | 48,000 | | 48,000 | #DIV/0! |
| ROMANIA | 47,360 | | 47,360 | #DIV/0! |
| COTE D'IVOIRE | 31,046 | | 31,046 | #DIV/0! |
| BURKINA FASO | 28,462 | 15,523 | 12,938 | 83% |
| ISRAEL | 24,000 | | 24,000 | #DIV/0! |
| HONG KONG | 22,680 | 22,680 | 0 | 0% |
| MAURITIUS | 20,000 | 84,960 | -64,960 | -76% |
| NEW ZEALAND | 12,800 | 38,400 | -25,600 | -67% |
| BRAZIL | 11,659 | | 11,659 | #DIV/0! |
| BAHRAIN | 8,496 | | 8,496 | #DIV/0! |
| ITALY | 4,600 | 1,500 | 3,100 | 207% |
| FRANCE | 500 | | 500 | #DIV/0! |
| VIET NAM | 90 | | 90 | #DIV/0! |

| | | | | |
|------------|------------|------------|-------------|-------|
| BANGLADESH | | 96,000 | -96,000 | -100% |
| CHILE | | 8,774 | -8,774 | -100% |
| GHANA | | 140,700 | -140,700 | -100% |
| INDONESIA | | 152,740 | -152,740 | -100% |
| KYRGYZSTAN | | 25,500 | -25,500 | -100% |
| MEXICO | | 12,809 | -12,809 | -100% |
| MYANMAR | | 26,000 | -26,000 | -100% |
| SINGAPORE | | 14,000 | -14,000 | -100% |
| TANZANIA | | 19,900 | -19,900 | -100% |
| | | | | |
| | | | | |
| TOTAL | 31,664,081 | 44,429,338 | -12,765,257 | -29% |

Table 3: Kenya Tea Exports by Destination (Jan.-March 2023 vis-à-vis Jan.- March 2022)

| DESTINATION | 2023- QUANTITY KGS | 2022 - QUANTITY KGS | QUANTITY VARIANCE KGS | %AGE VARIANCE |
|---------------|--------------------|---------------------|-----------------------|---------------|
| | KGS | KGS | DIFF. | VARIANCE |
| PAKISTAN | 27,694,590 | 52,885,852 | -25,191,262 | -48% |
| EGYPT | 18,710,781 | 27,931,112 | -9,220,332 | -33% |
| UK | 10,969,340 | 9,439,225 | 1,530,115 | 16% |
| IRAN | 7,097,378 | 1,049,805 | 6,047,573 | 576% |
| UAE | 6,149,231 | 5,661,468 | 487,763 | 9% |
| YEMEN | 4,685,294 | 4,978,653 | -293,359 | -6% |
| AFGHANISTAN | 3,148,567 | 1,618,566 | 1,530,001 | 95% |
| RUSSIA | 3,085,483 | 6,853,604 | -3,768,121 | -55% |
| SUDAN | 2,834,402 | 6,852,002 | -4,017,600 | -59% |
| SAUDI ARABIA | 1,497,637 | 1,796,370 | -298,733 | -17% |
| POLAND | 1,326,819 | 1,707,666 | -380,847 | -22% |
| JORDAN | 1,301,690 | 852,500 | 449,190 | 53% |
| IRELAND | 1,258,376 | 1,631,002 | -372,626 | -23% |
| KAZAKHSTAN | 916,682 | 2,145,208 | -1,228,526 | -57% |
| INDIA | 914,326 | 719,758 | 194,568 | 27% |
| SWITZERLAND | 768,043 | 876,360 | -108,317 | -12% |
| NETHERLANDS | 752,362 | 467,004 | 285,358 | 61% |
| SOMALIA | 675,647 | 221,466 | 454,181 | 205% |
| UKRAINE | 581,438 | 336,625 | 244,813 | 73% |
| NIGERIA | 474,264 | 1,250,210 | -775,946 | -62% |
| QATAR | 419,265 | 346,136 | 73,129 | 21% |
| USA | 408,031 | 419,445 | -11,414 | -3% |
| OMAN | 380,316 | 232,050 | 148,266 | 64% |
| MALAYSIA | 344,800 | 519,628 | -174,828 | -34% |
| JAPAN | 272,202 | 424,040 | -151,838 | -36% |
| TURKEY | 259,564 | 376,059 | -116,495 | -31% |
| CHINA | 257,830 | 513,484 | -255,654 | -50% |
| SOUTH AFRICA | 253,634 | 342,070 | -88,436 | -26% |
| GERMANY | 249,312 | 219,948 | 29,364 | 13% |
| PERU | 247,440 | 453,552 | -206,112 | -45% |
| SRI LANKA | 244,546 | 142,740 | 101,806 | 71% |
| CANADA | 174,440 | 29,660 | 144,780 | 488% |
| SPAIN | 134,624 | | 134,624 | #DIV/0! |
| ERITREA | 130,000 | 130,000 | 0 | 0% |
| DJIBOUTI | 129,810 | 76,350 | 53,460 | 70% |
| TAIWAN | 126,330 | 42,990 | 83,340 | 194% |
| CHAD | 110,570 | 50,400 | 60,170 | 119% |
| BANGLADESH | 96,000 | 288,000 | -192,000 | -67% |
| UZBEKISTAN | 94,500 | 124,716 | -30,216 | -24% |
| INDONESIA | 92,800 | 484,044 | -391,244 | -81% |
| ROMANIA | 89,920 | | 89,920 | #DIV/0! |
| MAURITIUS | 60,000 | 124,960 | -64,960 | -52% |
| COTE D'IVOIRE | 56,923 | | 56,923 | #DIV/0! |
| ISRAEL | 49,300 | 24,207 | 25,093 | 104% |

| | | | | |
|----------------|-------------------|--------------------|--------------------|-------------|
| BURKINA FASO | 49,159 | 25,872 | 23,287 | 90% |
| HONG KONG | 47,940 | 45,360 | 2,580 | 6% |
| GHANA | 43,950 | 243,000 | -199,050 | -82% |
| SOUTH SUDAN | 29,015 | | 29,015 | #DIV/0! |
| ZAMBIA | 24,842 | | 24,842 | #DIV/0! |
| CONGO DRC | 23,990 | | 23,990 | #DIV/0! |
| BRAZIL | 23,819 | 4,164 | 19,655 | 472% |
| SINGAPORE | 15,005 | 44,480 | -29,475 | -66% |
| ITALY | 14,920 | 6,100 | 8,820 | 145% |
| NEW ZEALAND | 12,800 | 38,400 | -25,600 | -67% |
| KYRGYSTAN | 11,500 | 108,724 | -97,224 | -89% |
| BAHRAIN | 8,496 | | 8,496 | #DIV/0! |
| MALI | 6,437 | | 6,437 | #DIV/0! |
| ALBANIA | 4,470 | | 4,470 | #DIV/0! |
| UGANDA | 4,441 | | 4,441 | #DIV/0! |
| MYANMAR | 2,912 | 105,728 | -102,816 | -97% |
| AUSTRALIA | 2,300 | | 2,300 | #DIV/0! |
| TANZANIA | 1,020 | 19,900 | -18,880 | -95% |
| FRANCE | 500 | 500 | 0 | 0% |
| CZECH REPUBLIC | 100 | 235 | -135 | -57% |
| VIET NAM | 90 | | 90 | #DIV/0! |
| AZERBAIJAN | | 22,500 | -22,500 | -100% |
| CHILE | | 26,316 | -26,316 | -100% |
| FINLAND | | 108,240 | -108,240 | -100% |
| GUINEA | | 5,472 | -5,472 | -100% |
| LITHUANIA | | 13,085 | -13,085 | -100% |
| MALTA | | 5,174 | -5,174 | -100% |
| MEXICO | | 30,809 | -30,809 | -100% |
| SOUTH KOREA | | 116 | -116 | -100% |
| SWAZILAND | | 331 | -331 | -100% |
| TOGO | | 5,174 | -5,174 | -100% |
| | | | | |
| TOTAL | 99,852,213 | 135,498,617 | -35,646,404 | -26% |