



TEA BOARD OF KENYA

Realizing the Tea Promise

KENYA TEA INDUSTRY PERFORMANCE HIGHLIGHTS FOR APRIL 2022 **PRODUCTION**

Tea production for the month of April 2022 recorded a drop of 3.12 Million Kgs from 44.29 Million Kgs recorded in the same period of 2021 to 41.17 Million Kgs. Production was also lower compared 46.32 Million Kgs that was recorded during the month of March. Lower production was attributed to depressed and erratic rainfall received over most parts of the country during the month, which was below the respective long-term mean for the month of April owing to the effects of *La nina* weather conditions. Though the month of April usually marks the peak of the Long Rains (March-April-May) season, the first half of the month was characterized by dry weather conditions over most parts of the country while the rainfall received in the second half was depressed (less than 75% of April Long Term Mean), occasional and unevenly distributed.

In tea growing areas, adverse weather conditions were more prevalent the East of Rift especially within Kiambu/Muranga/Nyeri/Kirinyaga Counties and some parts in the West of Rift in Nandi County, which either recorded dry weather conditions or minimal precipitation of between 2-10 mm daily during the first half of the month. Consequently, in tea growing areas in the East of Rift, there was a drop of 4.06 Million Kgs in output from 18.54 Million Kgs recorded during the corresponding month of 2021 to 14.48 Million Kgs. Since in the West of Rift the effect was largely felt in Nandi County only, production in the West of Rift was thus marginally higher by 0.93 Million Kgs from 25.75 Million Kgs recorded during the corresponding month of 2021 to 26.68 Million Kgs. Due to wider coverage of the Smallholder Sub-sector in the East of Rift, output within the sub-sector dropped significantly by 2.23 Million Kgs from 25.51 Million Kgs to 23.28 Million Kgs. Similarly, the Plantation sub-sector recorded lower production of 0.89 Million Kgs from 18.78 Million Kgs recorded during the

corresponding month of 2021 to 17.88 Million Kgs due to lower output in parts of its tea growing areas in the East of Rift and the West of Rift, respectively that were affected by adverse weather conditions.

Cumulative production for the first four months of the year was significantly lower by 8.28 Million Kgs to stand at 177 Million Kgs against 185.28 Million Kgs recorded during the corresponding period of 2021. Notably, due to depressed rainfall recorded during the months of March and April respectively, lower production trend to-date is likely to continue throughout the rest of the year.

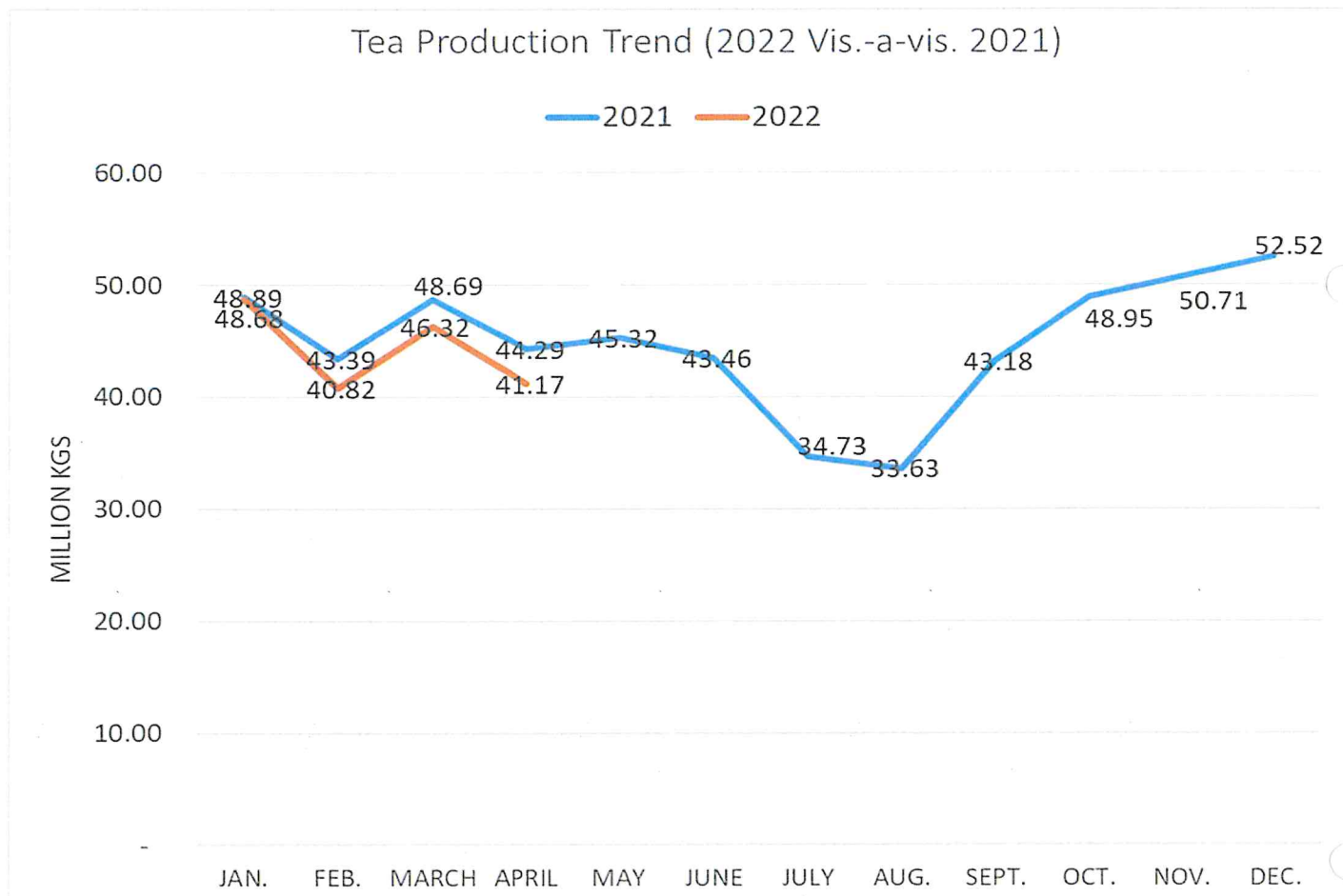


Table 1: Production by Sub-Sector and Region (2022 vis-à-vis 2021)

Sub-Sector	Region	April 2022	April 2021	Variance +/-	Var.(%)	Jan - April 2022	Jan - April 2021	Variance +/-	Var.(%)
Plantation	West of Rift	16,659,340	16,960,026	- 300,686	-1.77%	68,844,934	75,680,264	- 6,835,330	-9.03%
	East of Rift	1,227,971	1,824,722	- 596,751	-32.70%	6,304,360	6,703,449	- 399,089	-5.95%
	Total	17,887,311	18,784,748	- 897,437	-4.78%	75,149,293	82,383,713	- 7,234,420	-8.78%
Smallholder	West of Rift	10,023,035	8,790,680	1,232,355	14.02%	43,739,359	40,103,254	3,636,105	9.07%
	East of Rift	13,260,950	16,724,032	- 3,463,082	-20.71%	58,112,731	62,799,980	- 4,687,249	-7.46%
	Total	23,283,985	25,514,712	- 2,230,727	-8.74%	101,852,090	102,903,234	- 1,051,144	-1.02%
Plantation & Smallholder	West of Rift	26,682,375	25,750,706	931,669	3.62%	112,584,293	115,783,518	- 3,199,226	-2.76%
	East of Rift	14,488,921	18,548,754	- 4,059,833	-21.89%	64,417,091	69,503,429	- 5,086,338	-7.32%
	Total	41,171,296	44,299,460	- 3,128,164	-7.06%	177,001,384	185,286,947	- 8,285,564	-4.47%

TEA SALES

AUCTION

During the month of April, auction sales volume for Kenyan tea stood at 40.77 Million Kgs, which was higher compared to 35.92 Million Kgs recorded in the corresponding month of last year but lower compared to 45.29 Million Kgs sold in the month of March. During the month, 87% of the volume for Kenyan tea on offer at the auction were absorbed, which was a similar absorption rate recorded in March.

The average auction price for Kenyan tea during the month of April was higher at 2.63 USD per Kg against 2.59 in March. It was also higher compared to 2.01 USD and 2.12 USD recorded during the same period of 2021 and 2020, respectively. This was despite the global economic shock caused by the impact of Russia-Ukraine crisis, which has continued to affect the purchasing power in most markets since the month of March this year.

However, the auction prices to-date have been buoyant after experiencing a declining trend to a seven-month low of 1.75 USD per Kg in July 2021. Reversed trend follows the setting up of minimum reserve price of 2.43 USD per Kg in July for the smallholder sub-sector taking into account the cost of production, the grade of the tea and a reasonable return to the tea farmer. During the month of April 2022, tea offered for sale by the smallholder tea factories fetched an average price of 2.68 USD per Kg for the main grades compared to 2.07 USD in April 2021.

For all the tea offered for sale at the auction during the month, "Best" category of CTC leaf grades fetched higher prices at between USD 2.64 to 4.90 per Kg for the BP1s and 2.68 to 3.32 for the PF1s while tea prices for a similar category of the dust grades ranged between USD 2.74 to 3.34 for PDust and USD 2.74 to 3.39 for Dust1. Notably, well sorted grades and those with brighter liquors attracted more competitive bids and considerably higher prices while plainer categories across the grades attracted either less interest and thus lower prices or no bid by the buyers and consequently constituted the highest proportion of outlots. However, there was no Orthodox tea grades on offer at the auction during the month.

EXPORTS

The total export volume for the month of April 2022 was lower by 20% from 49.45 Million Kgs recorded in the same period of last year to 39.56 Million Kgs. It was also lower compared to export volume of 45.12 Million Kgs in February and 44.43 Million Kgs in March. The decline in export volume was majorly due to lower demand

occasioned by fasting in Muslim religious countries during the holy month of Ramadhan that was observed globally in the month of April. The exports were also affected by the effect of Russia-Ukraine crisis that continued to cause global economic recession and thus negatively affecting purchasing power in most markets.

During the month, Kenya tea was shipped to forty five (45) export destinations compared to forty six (46) for the same period of last year. Pakistan maintained the leading export destination for Kenyan tea having imported 16.22 Million Kgs, accounting for 41% of the total export volume. Other key export destinations for Kenyan tea were Egypt (6.20 Million Kgs); UAE (3.17 Million Kgs); UK (2.69 Million Kgs); Yemen (1.89 million Kgs); Russia (1.60 Million Kgs); Sudan (1.50 Million Kgs); Poland (0.91 million Kgs); Afghanistan (0.59 million Kgs); and Kazakhstan (0.539 million Kgs). The top ten export destinations, majority of which are traditional markets for Kenyan tea accounted for 89% of Kenya tea export volume. Apart from UAE, Yemen, Poland and Afghanistan, most the other markets, recorded lower tea imports from Kenya compared to the same period of last year. Decline was also recorded in key emerging markets such as Nigeria, Iran and Switzerland.

Despite the market access challenges of occasioned by the Russia-Ukraine crisis, there was a significant increase in exports to Russian from 0.686 Million Kgs recorded during the previous month to 1.61 Million Kgs. However, exports was lower compared to 2.08 million Kgs shipped during the correspondence month of last year. Notably, there were a few shipments to seasonal markets such as Tanzania, Burkina Faso, Kyrgyzstan, Djibouti, and Chile.

LOCAL TEA SALES

Local tea sales for April 2022 stood at 2.44 Million Kgs against 2.81 Million Kgs for the corresponding period of 2021 while cumulative tea sales for the four months period up to April 2022 was 10.04 Million Kgs against 11.29 Million Kgs for the same period of 2021. Lower sales during the month and the year to-date was attributed to lower demand due to continued effect of inflationary pressure on basic commodity prices occasioned by global economic recession, weakening of the Kenya Shilling against the USD and increase in fuel prices. Overall inflation increased to 6.5 percent in April 2022 from 5.6 percent in March and 5.1 percent in February.

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

DESTINATION	2022- QUANTITY KGS	2021 - QUANTITY KGS	QUANTITY VARIANCE KGS	%AGE VARIANCE
PAKISTAN	16,220,907	17,945,296	- 1,724,389	-10%
EGYPT	6,204,702	9,950,987	- 3,746,285	-38%
UAE	3,171,619	2,015,854	1,155,765	57%
UK	2,690,906	3,750,373	- 1,059,467	-28%
YEMEN	1,890,115	1,242,993	647,122	52%
RUSSIA	1,606,588	2,088,458	- 481,870	-23%
SUDAN	1,509,328	3,890,437	- 2,381,109	-61%
POLAND	910,986	535,607	375,379	70%
AFGHANISTAN	591,890	238,023	353,867	149%
KAZAKHSTAN	539,314	1,068,071	- 528,757	-50%
IRELAND	488,932	430,020	58,912	14%
SAUDI ARABIA	440,052	462,048	- 21,996	-5%
USA	377,418	394,644	- 17,226	-4%
INDIA	273,196	238,436	34,760	15%
INDONESIA	241,596	165,184	76,412	46%
NIGERIA	227,744	1,093,884	- 866,140	-79%
MALAYSIA	208,960	265,810	- 56,850	-21%
QATAR	208,829	117,821	91,008	77%
PERU	188,700	22,720	165,980	731%
BANGLADESH	165,600	201,600	- 36,000	-18%
JORDAN	164,000	113,750	50,250	44%
CHINA	147,432	136,060	11,372	8%
OMAN	138,174	75,236	62,938	84%
UZBEKISTAN	130,578	200,912	- 70,334	-35%
JAPAN	122,820	202,490	- 79,670	-39%
NETHERLANDS	106,176	190,643	- 84,467	-44%
TURKEY	93,988	58,436	35,552	61%
GERMANY	90,426	109,334	- 18,908	-17%
SWITZERLAND	82,180	542,578	- 460,398	-85%
IRAN	77,540	554,489	- 476,949	-86%
SOUTH AFRICA	56,240	186,200	- 129,960	-70%
MAURITIUS	50,740	20,000	30,740	154%
DJIBOUTI	32,000	60,432	- 28,432	-47%
GHANA	25,500	58,854	- 33,354	-57%
BRAZIL	22,920		22,920	#DIV/0!
SOMALIA	20,464	143,864	- 123,400	-86%
CANADA	14,445	33,230	- 18,785	-57%
MEXICO	9,000		9,000	#DIV/0!
SINGAPORE	8,000	14,000	- 6,000	-43%
MYANMAR	4,612	26,000	- 21,388	-82%
ITALY	4,600		4,600	#DIV/0!
CHILE	4,380		4,380	#DIV/0!
HONG KONG	3,000	11,340	- 8,340	-74%
FINLAND	1,474	12,000	- 10,526	-88%
AUSTRALIA	80		80	#DIV/0!
AZERBAIJAN		16,346	- 16,346	-100%
CHAD		43,328	- 43,328	-100%

ISRAEL		24,000	- 24,000	-100%
KYRGYZSTAN		66,908	- 66,908	-100%
SRI LANKA		152,698	- 152,698	-100%
TAIWAN		400	- 400	-100%
TURKMENISTAN		34,795	- 34,795	-100%
UKRAINE		252,988	- 252,988	-100%
TOTAL	39,568,151	49,459,577	-9,891,426	-20%

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

DESTINATION	2022- QUANTITY KGS	2021- QUANTITY KGS	QUANTITY VARIANCE KGS	%AGE VARIANCE
PAKISTAN	69,106,760	73,587,466	-4,480,707	-6%
EGYPT	34,135,815	38,849,041	-4,713,227	-12%
UK	12,130,131	17,546,222	-5,416,091	-31%
UAE	8,833,087	13,289,115	-4,456,028	-34%
RUSSIA	8,460,192	9,346,029	-885,837	-9%
SUDAN	8,361,330	9,506,214	-1,144,884	-12%
YEMEN	6,868,768	6,541,204	327,564	5%
KAZAKHSTAN	2,684,522	3,975,187	-1,290,665	-32%
POLAND	2,618,652	2,873,190	-254,538	-9%
SAUDI ARABIA	2,236,422	1,313,733	922,689	70%
AFGHANISTAN	2,210,456	551,988	1,658,468	300%
IRELAND	2,119,934	2,193,111	-73,177	-3%
NIGERIA	1,477,954	1,898,229	-420,275	-22%
IRAN	1,127,345	2,254,643	-1,127,298	-50%
JORDAN	1,016,500	113,750	902,750	794%
INDIA	992,954	1,517,652	-524,698	-35%
SWITZERLAND	958,540	1,899,030	-940,490	-50%
USA	796,863	1,043,588	-246,725	-24%
MALAYSIA	728,588	1,078,313	-349,725	-32%
INDONESIA	725,640	838,542	-112,902	-13%
CHINA	660,916	1,857,136	-1,196,220	-64%
PERU	642,252	45,440	596,812	1313%
NETHERLANDS	573,180	1,618,288	-1,045,108	-65%
QATAR	554,965	453,012	101,953	23%
JAPAN	546,860	1,241,512	-694,652	-56%
TURKEY	470,047	684,138	-214,091	-31%
BANGLADESH	453,600	406,800	46,800	12%
SOUTH AFRICA	398,310	332,012	66,298	20%
OMAN	370,224	278,562	91,662	33%
UKRAINE	336,625	1,053,515	-716,890	-68%
GERMANY	310,374	355,849	-45,475	-13%
GHANA	268,500	299,392	-30,892	-10%
UZBEKISTAN	255,294	556,974	-301,680	-54%
SOMALIA	241,930	676,234	-434,304	-64%
MAURITIUS	175,700	60,000	115,700	193%
SRI LANKA	142,740	968,776	-826,036	-85%
ERITREA	130,000	61,190	68,810	112%
MYANMAR	110,340	133,067	-22,727	-17%
FINLAND	109,714	12,000	97,714	814%
KYRGYZSTAN	108,724	108,130	594	1%
DJIBOUTI	108,350	139,278	-30,928	-22%
SINGAPORE	52,480	64,400	-11,920	-19%
CHAD	50,400	350,437	-300,037	-86%
HONG KONG	48,360	58,952	-10,592	-18%
CANADA	44,105	297,140	-253,035	-85%

TAIWAN	42,990	82,360	-39,370	-48%
MEXICO	39,809	27,000	12,809	47%
NEW ZEALAND	38,400	25,600	12,800	50%
CHILE	30,696		30,696	#DIV/0!
BRAZIL	27,084	25,740	1,344	5%
BURKINA FASO	25,872		25,872	#DIV/0!
ISRAEL	24,207	24,000	207	1%
AZERBAIJAN	22,500	25,882	-3,382	-13%
TANZANIA	19,900		19,900	#DIV/0!
LITHUANIA	13,085	7,224	5,861	81%
ITALY	10,700	14,660	-3,960	-27%
GUINEA	5,472		5,472	#DIV/0!
MALI	5,174	10,348	-5,174	-50%
TOGO	5,174		5,174	#DIV/0!
FRANCE	500		500	#DIV/0!
SWAZILAND	331		331	#DIV/0!
CZECH REPUBLIC	235	100	135	135%
SOUTH KOREA	116	1,600	-1,484	-93%
AUSTRALIA	80		80	#DIV/0!
BAHRAIN		12,412	-12,412	-100%
CAMEROON		8,083	-8,083	-100%
IRAQ		40,994	-40,994	-100%
SENEGAL		5,174	-5,174	-100%
TAJIKISTAN		23,829	-23,829	-100%
TURKMENISTAN		51,685	-51,685	-100%
VIETNAM		35,800	-35,800	-100%
TOTAL	175,066,768	202,750,974	-27,684,206	-14%