



TEA BOARD OF KENYA

Realizing the Tea Promise

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

Tea production for the month of July 2022 recorded a significant drop from 43.27 Million Kgs in June and 50 Million Kgs in May to 33.85 Million Kgs. Though this was the lowest monthly production for the year-to-date, it was within the seasonal average output usually recorded in the month of July. Drop in production for the month of July follows minimal rainfall and occasional rain experienced in most parts of the country as well as cold and cloudy conditions. During the month, weather conditions in the highlands East of the Rift Valley was characterized by occasional drizzle or light rains coupled with cool temperatures. In the West of the Rift Valley, certain tea growing areas especially in Kericho and Nandi recorded modest precipitation while the rest such as Bomet, Nyamira and Kisii experienced dry weather conditions or lower rainfall of less than 10 mm daily.

Consequently, in tea growing areas in the West of Rift Valley, production dropped by about 0.48 Million Kgs from 28.40 Million Kgs recorded during the corresponding month of 2021 to 27.91 Million Kgs. Production in the region was also lower compared to 31.87 Million Kgs recorded during the month of June.

Similarly, within the East of the Rift, production was lower by about 0.39 Million Kgs from 5.93 Million Kgs recorded during the corresponding month of 2021 to 6.32 Million Kgs. Production in the region was also significantly lower compared to 11.39 Million Kgs recorded during the month of June.

Due to unfavourable weather conditions in the West of Rift Valley (Bomet, Nyamira and Kisii) and lower rainfall in the East of Rift Valley, production in the smallholder sub-sector dropped by about 2.28 Million Kgs from 15.00 Million Kgs recorded during the



corresponding month of 2021 to 12.72 Million Kgs. However, production within the Plantation sub-sector was higher by about 1.40 Million Kgs from 19.73 Million Kgs recorded during the corresponding month of 2021 to 21.13 Million Kgs due to moderate rainfall received in certain tea growing areas of the West of Rift Valley where the sub-sector is more prevalent.

Cumulative production for the seven-month period was lower by 4.59 Million Kgs to stand at 304.22 Million Kgs against 308.81 Million Kgs recorded during the corresponding period of 2021. Going by the trend to-date, lower cumulative production is likely to continue throughout the rest of the year.

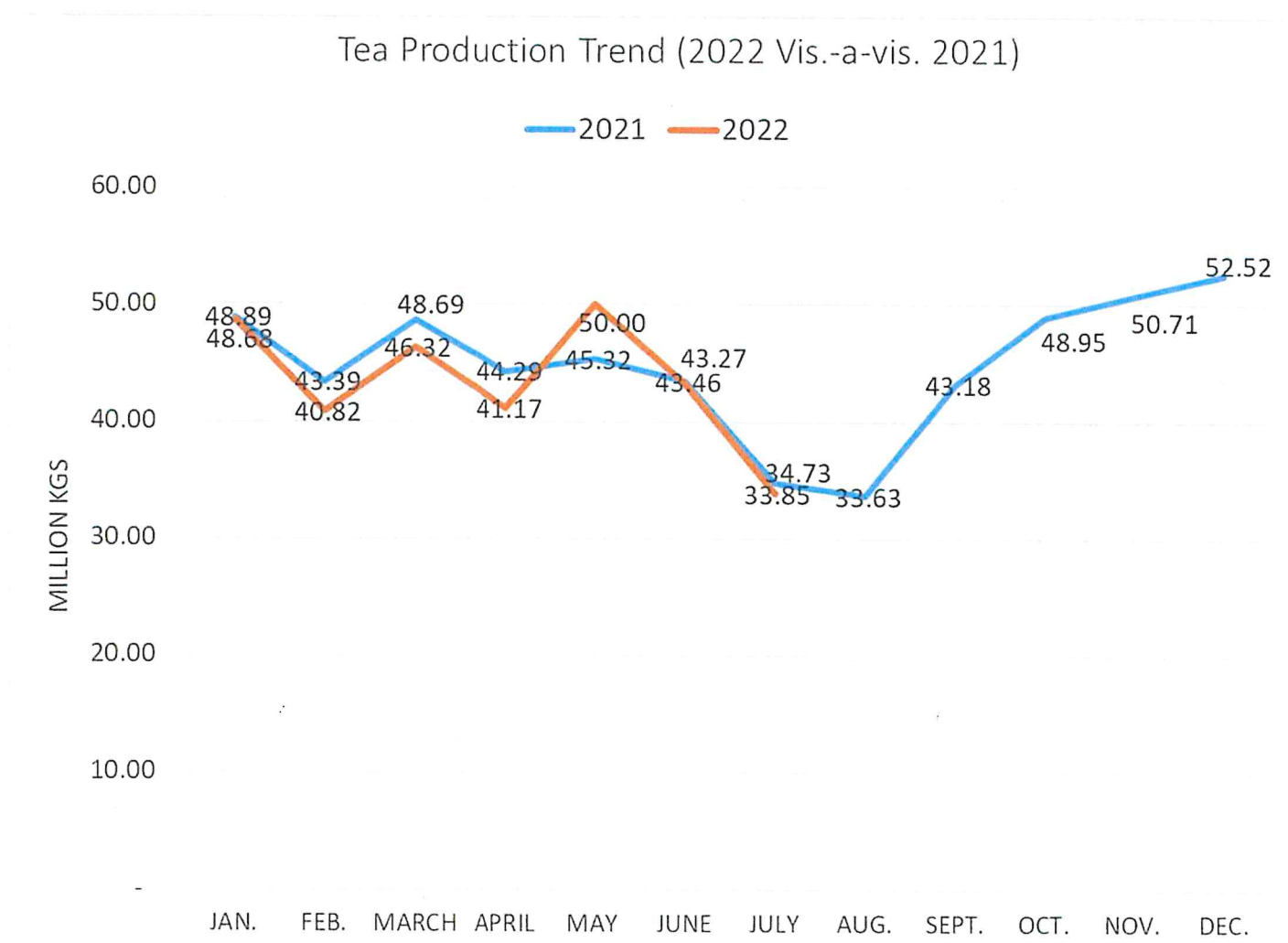


Table 1: Production by Sub-Sector and Region (2022 vis-à-vis 2021)

Sub-Sector	Region	July 2022	July 2021	Variance +/-	Var.(%)	Jan - July 2022	Jan - July 2021	Variance +/-	Var.(%)
Plantation	West of Rift	20,410,268	18,896,704	1,513,564	8.01%	132,138,709	134,658,061	- 2,519,352	-1.87%
	East of Rift	720,558	831,404	- 110,846	-13.33%	9,974,623	10,622,391	- 647,769	-6.10%
	Total	21,130,826	19,728,108	1,402,718	7.11%	142,113,332	145,280,453	- 3,167,121	-2.18%
Smallholder	West of Rift	7,506,353	9,508,071	- 2,001,718	-21.05%	72,891,440	70,691,852	2,199,588	3.11%

	East of Rift	5,217,096	5,496,190	- 279,094	-5.08%	89,212,446	92,837,595	- 3,625,149	-3.90%
	Total	12,723,448	15,004,261	- 2,280,812	-15.20%	162,103,886	163,529,447	- 1,425,561	-0.87%
Plantation & Smallholder	West of Rift	27,916,621	28,404,775	- 488,154	-1.72%	205,030,149	205,349,914	- 319,764	-0.16%
	East of Rift	5,937,654	6,327,593	- 389,940	-6.16%	99,187,068	103,459,986	- 4,272,917	-4.13%
	Total	33,854,274	34,732,369	- 878,094	-2.53%	304,217,218	308,809,899	- 4,592,682	-1.49%

TEA SALES

AUCTION

During the month of July, auction sales volume for Kenyan tea stood at 28.15 Million Kgs, which was lower compared to 38.35 Million Kgs recorded in the corresponding month of last year. It was also lower in comparison with 40.54 Million Kgs sold in the month of June. Lower teas on offer for sale at the auction follows reduced supply on account of declining production trend.

The average auction price for Kenyan tea during the month of July this year was slightly lower at 2.37 USD per Kg compared to 2.44 USD per Kg recorded in June and 2.41 USD per Kg in May. However, it was higher compared to 1.75 USD and 1.81 USD recorded during the same period of 2021 and 2020, respectively. For all the teas offered for sale at the auction during the month, "Best" category across CTC leaf and dust grades fetched higher prices especially those that were well sorted grades and had brighter liquors. Notably, there was no Orthodox tea grades on offer at the auction during the month.

During the seven-month period of the year, average auction prices for Kenya tea stood at USD 2.53 per Kg, which was significantly higher compared to USD 1.93 for the same period of 2021, USD 2.02 in 2020 and USD 2.19 in 2019. During the seven-month period of 2022, tea offered for sale by the smallholder tea factories fetched an average price of USD 2.73 per Kg for the main grades from an average price of USD 2.17 for January - July 2021 and USD 2.20 for the same period of 2020.

Though the auction prices have been on an upward trajectory after experiencing a declining trend to a low of 1.75 USD per Kg in July 2021, the auction prices during the period March-July 2022 have slackened due to the effect of global economic shock brought about by the Russia-Ukraine crisis. The crisis, which commenced towards the end of February this year has had a negative effect on the economic growth of most

markets thus causing a global recession. As a result of the crisis, most global economies are experiencing scarcity of foreign exchange reserves and depreciation of their local currencies leading to high inflation, slow economic growth and low purchasing power. During the month, buyers of tea for Russia and Iran markets were less active at the auction.

EXPORTS

The total export volume for the month of July 2022 was lower by 22% from 31.49 Million Kgs recorded in the same period of last year to 40.59 Million Kgs. It was also lower compared to export volumes recorded during the preceding months. The number of export markets were also lower at forty seven (47) compared to forty nine (49) for the same period of last year. Decline in exports was majorly due to effect of Russia-Ukraine crisis that continued to cause global economic recession and thus negatively affecting purchasing power in most markets.

Pakistan maintained its position as the leading export destination for Kenyan tea having imported 12.28 Million Kgs compared to 16.41 Million Kgs imported during the same month last year. Despite lower import volume, Pakistan accounted for 39% of the total export volume. Other key export destinations for Kenyan tea were Egypt (3.85 Million Kgs); UK (3.00 Million Kgs); UAE (2.44 Million Kgs); Sudan (1.63 Million Kgs); Yemen (1.50 million Kgs); Poland (0.740 Million Kgs); Kazakhstan (0.73 Million Kgs); Russia (0.67 Million Kgs); and Nigeria (0.65 Million Kgs). The top ten export destinations, majority of which are traditional markets for Kenyan tea accounted for 87% of Kenya tea export volume. Apart from UAE and Yemen, most of the other traditional markets recorded lower tea imports from Kenya compared to the same period of last year. Decline was also recorded in other key markets such as in Iran; Switzerland; USA; Netherlands; Ireland; India; and Oman. Notably, a few shipments were recorded in seasonal markets such as Jordan; Peru; Zambia; Chile; Cote D'ivoire; Burkina Faso; Iraq; Estonia; and Bahrain.

Cumulative export volume for January to July was lower by 19% to stand at 274.83 Million Kgs compared to 339.27 Million Kgs for the seven-month period of last year.

LOCAL TEA SALES

Local tea sales for July 2022 stood at 3.09 Million Kgs against 3.18 Million Kgs for the corresponding period of 2021 while cumulative sales in the local market for the seven months' period up to July 2022 was lower at 18.14 Million Kgs against 21.90 Million Kgs for the same period of 2021 and 24.39 Million Kgs for the seven month period of 2020. Lower sales during the year to-July 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 rate for the seven month period of 2022 was higher at an average of 6.54 percent compared to 5.98 percent for the same period of 2021 and 5.58 percent in 2020.

5th October 2022

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

DESTINATION	2022- QUANTITY KGS	2021 - QUANTITY KGS	QUANTITY VARIANCE KGS	%AGE VARIANCE
PAKISTAN	12,275,525	16,413,587	-4,138,062	-25%
EGYPT	3,846,428	4,519,576	-673,148	-15%
UK	3,001,416	3,378,217	-376,801	-11%
UAE	2,443,202	1,664,194	779,008	47%
SUDAN	1,634,265	2,205,345	-571,080	-26%
YEMEN	1,498,752	605,728	893,024	147%
POLAND	736,868	809,160	-72,292	-9%
RUSSIA	731,786	3,142,478	-2,410,692	-77%
KAZAKHSTAN	665,706	700,406	-34,700	-5%
NIGERIA	646,610	1,162,014	-515,404	-44%
AFGHANISTAN	500,960	332,357	168,603	51%
IRAN	455,536	964,217	-508,681	-53%
SAUDI ARABIA	392,349	258,252	134,097	52%
JAPAN	391,768	364,432	27,336	8%
INDONESIA	323,564	79,920	243,644	305%
MALAYSIA	173,508	93,348	80,160	86%
SWITZERLAND	166,452	609,228	-442,776	-73%
CHINA	165,926	547,535	-381,609	-70%
SOMALIA	155,534	38,706	116,828	302%
UKRAINE	153,362	211,568	-58,206	-28%
JORDAN	130,000		130,000	#DIV/0!
PERU	114,880		114,880	#DIV/0!
IRELAND	104,920	286,592	-181,672	-63%
INDIA	94,549	270,045	-175,496	-65%
USA	76,344	288,687	-212,343	-74%
GERMANY	70,829	132,760	-61,931	-47%
GHANA	64,747	38,400	26,347	69%
CANADA	52,000	43,400	8,600	20%
UZBEKISTAN	51,600	49,700	1,900	4%
NETHERLANDS	49,057	268,737	-219,680	-82%
ZAMBIA	38,174		38,174	#DIV/0!
SOUTH AFRICA	36,778	130,092	-93,314	-72%
OMAN	35,803	203,200	-167,397	-82%
CHAD	27,042	47,863	-20,821	-44%
KYRGYZSTAN	25,500	25,500	0	0%
AZERBAIJAN	24,470	15,264	9,206	60%
CHILE	21,145		21,145	#DIV/0!
TURKEY	21,028	86,900	-65,872	-76%
COTE D'IVOIRE	20,698		20,698	#DIV/0!
BURKINA FASO	15,523		15,523	#DIV/0!
SINGAPORE	15,000	14,000	1,000	7%
IRAQ	12,998		12,998	#DIV/0!
ESTONIA	12,920		12,920	#DIV/0!
MAURITIUS	11,540	91,600	-80,060	-87%
BAHRAIN	8,496		8,496	#DIV/0!
ISRAEL	3,850	24,000	-20,150	-84%
CZECH REPUBLIC	100		100	#DIV/0!

DJIBOUTI		31,000	-31,000	-100%
GREECE			0	#DIV/0!
GUINEA		5,472	-5,472	-100%
HONK KONG		22,680	-22,680	-100%
ITALY		4,600	-4,600	-100%
MEXICO		18,000	-18,000	-100%
MOROCCO		1,000	-1,000	-100%
MYANMAR			0	#DIV/0!
NEW ZEALAND		12,800	-12,800	-100%
QATAR		94,905	-94,905	-100%
SOUTH SUDAN			0	#DIV/0!
SPAIN		22,880	-22,880	-100%
SRI LANKA		132,283	-132,283	-100%
TAIWAN		118,700	-118,700	-100%
TANZANIA		10,250	-10,250	-100%
TOGO			0	#DIV/0!
TOTAL	31,499,507.72	40,591,578.30	-9,092,071	-22%

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

DESTINATION	2022- QUANTITY KGS	2021- QUANTITY KGS	QUANTITY VARIANCE KGS	%AGE VARIANCE
PAKISTAN	108,863,392	127,942,258	-19,078,865	-15%
EGYPT	45,869,486	58,326,533	-12,457,048	-21%
UK	20,803,573	30,330,801	-9,527,228	-31%
UAE	17,454,931	18,305,864	-850,933	-5%
RUSSIA	11,983,921	17,280,298	-5,296,377	-31%
SUDAN	11,799,551	15,072,044	-3,272,493	-22%
YEMEN	11,575,561	10,541,187	1,034,374	10%
POLAND	4,911,894	5,362,261	-450,367	-8%
KAZAKHSTAN	4,523,252	7,448,748	-2,925,496	-39%
AFGHANISTAN	4,485,571	1,177,801	3,307,770	281%
SAUDI ARABIA	3,275,433	2,138,268	1,137,165	53%
NIGERIA	3,070,895	4,487,040	-1,416,145	-32%
IRELAND	2,971,774	3,380,395	-408,621	-12%
IRAN	2,469,299	4,125,324	-1,656,025	-40%
JORDAN	1,639,500	836,250	803,250	96%
INDIA	1,559,625	3,067,262	-1,507,637	-49%
SWITZERLAND	1,451,037	3,096,530	-1,645,493	-53%
INDONESIA	1,388,320	1,395,143	-6,823	0%
JAPAN	1,342,445	1,990,243	-647,798	-33%
MALAYSIA	1,219,430	1,564,695	-345,265	-22%
USA	1,203,065	2,098,612	-895,547	-43%
CHINA	1,005,446	3,473,731	-2,468,285	-71%
PERU	899,360	70,560	828,800	1175%
UKRAINE	890,222	1,529,634	-639,412	-42%
NETHERLANDS	877,778	2,632,824	-1,755,046	-67%
SOUTH AFRICA	849,372	876,388	-27,016	-3%
QATAR	781,761	807,610	-25,849	-3%
TURKEY	755,183	1,028,670	-273,487	-27%
SOMALIA	487,394	872,156	-384,762	-44%
GERMANY	466,543	654,066	-187,523	-29%
BANGLADESH	453,600	406,800	46,800	12%
OMAN	433,787	726,907	-293,120	-40%
UZBEKISTAN	393,294	1,108,809	-715,515	-65%
GHANA	390,847	452,992	-62,145	-14%
MAURITIUS	264,284	197,400	66,884	34%
SRI LANKA	251,585	1,432,002	-1,180,417	-82%
CANADA	218,080	433,880	-215,800	-50%
MYANMAR	159,728	133,067	26,661	20%
DJIBOUTI	140,350	170,278	-29,928	-18%
KYRGYZSTAN	134,224	302,401	-168,177	-56%
CHAD	132,180	611,202	-479,022	-78%
ERITREA	130,000	130,000	0	0%
FINLAND	109,714	33,608	76,106	226%

CHILE	95,713		95,713	#DIV/0!
SINGAPORE	75,580	96,400	-20,820	-22%
NEW ZEALAND	64,000	76,800	-12,800	-17%
TAIWAN	62,438	264,980	-202,542	-76%
BURKINA FASO	51,571		51,571	#DIV/0!
MEXICO	48,809	45,000	3,809	8%
HONG KONG	48,360	126,992	-78,632	-62%
AZERBAIJAN	46,970	59,496	-12,526	-21%
ZAMBIA	38,174		38,174	#DIV/0!
ISRAEL	28,057	48,000	-19,943	-42%
BRAZIL	27,084	36,321	-9,237	-25%
ESTONIA	25,840		25,840	#DIV/0!
COTE D'IVOIRE	25,786		25,786	#DIV/0!
TANZANIA	21,100	20,220	880	4%
MALI	19,478	10,348	9,130	88%
LITHUANIA	13,085	7,224	5,861	81%
IRAQ	12,998	111,994	-98,996	-88%
ITALY	11,000	23,860	-12,860	-54%
BAHRAIN	8,496	12,412	-3,916	-32%
ANGOLA	6,168		6,168	#DIV/0!
GUINEA	5,472	5,472	0	0%
TOGO	5,174		5,174	#DIV/0!
AUSTRALIA	1,380		1,380	#DIV/0!
FRANCE	500		500	#DIV/0!
CZECH REPUBLIC	335	225	110	49%
SWAZILAND	331		331	#DIV/0!
SOUTH KOREA	116	1,600	-1,484	-93%
CAMEROON		8,083	-8,083	-100%
CONGO		8,107	-8,107	-100%
ISLE OF MAN		24,000	-24,000	-100%
MOROCCO		50,000	-50,000	-100%
SENEGAL		5,174	-5,174	-100%
SPAIN		22,880	-22,880	-100%
TAJIKISTAN		23,829	-23,829	-100%
TURKMENISTAN		51,685	-51,685	-100%
UGANDA		3,518	-3,518	-100%
VIETNAM		71,174	-71,174	-100%
			0	#DIV/0!
TOTAL	274,830,703	339,268,336	-64,437,633	-19%

