



TEA BOARD OF KENYA

Realizing the Tea Promise

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

Tea production for the month of June 2022 recorded a significant drop of 6.73 Million Kgs from 50 Million Kgs in May to 43.27 Million Kgs. However, production was within the seasonal average output usually recorded in the month of June. Drop in production for the month of June follows the cessation of the "Long Rains" season in the second week of May over the tea growing areas within the East of the Rift Valley and reduced rainfall experienced in the West of Rift Valley. 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 depressed and poorly distributed rainfall.

Consequently, in tea growing areas in the East of Rift Valley, production dropped by about 0.50 Million Kgs from 11.89 Million Kgs recorded during the corresponding month of 2021 to 11.39 Million Kgs. Production in the region was also significantly lower compared to 17.43 Million Kgs recorded during the month of May. However, within the West of the Rift, production was marginally higher by about 0.30 Million Kgs from 31.57 Million Kgs recorded during the corresponding month of 2021 to 31.87 Million Kgs.

Due to unfavourable weather conditions in the East of Rift Valley and some parts of the West of Rift Valley, production in the smallholder sub-sector dropped by about 1 Million Kgs from 20.73 Million Kgs recorded during the corresponding month of 2021 to 19.73 Million Kgs. However, production within the Plantation sub-sector was higher by about



0.8 Million Kgs from 22.73 Million Kgs recorded during the corresponding month of 2021 to 23.53 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 half-year period was lower by 3.71 Million Kgs to stand at 270.36 Million Kgs against 274.07 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.

Tea Production Trend (2022 Vis.-a-vis. 2021)

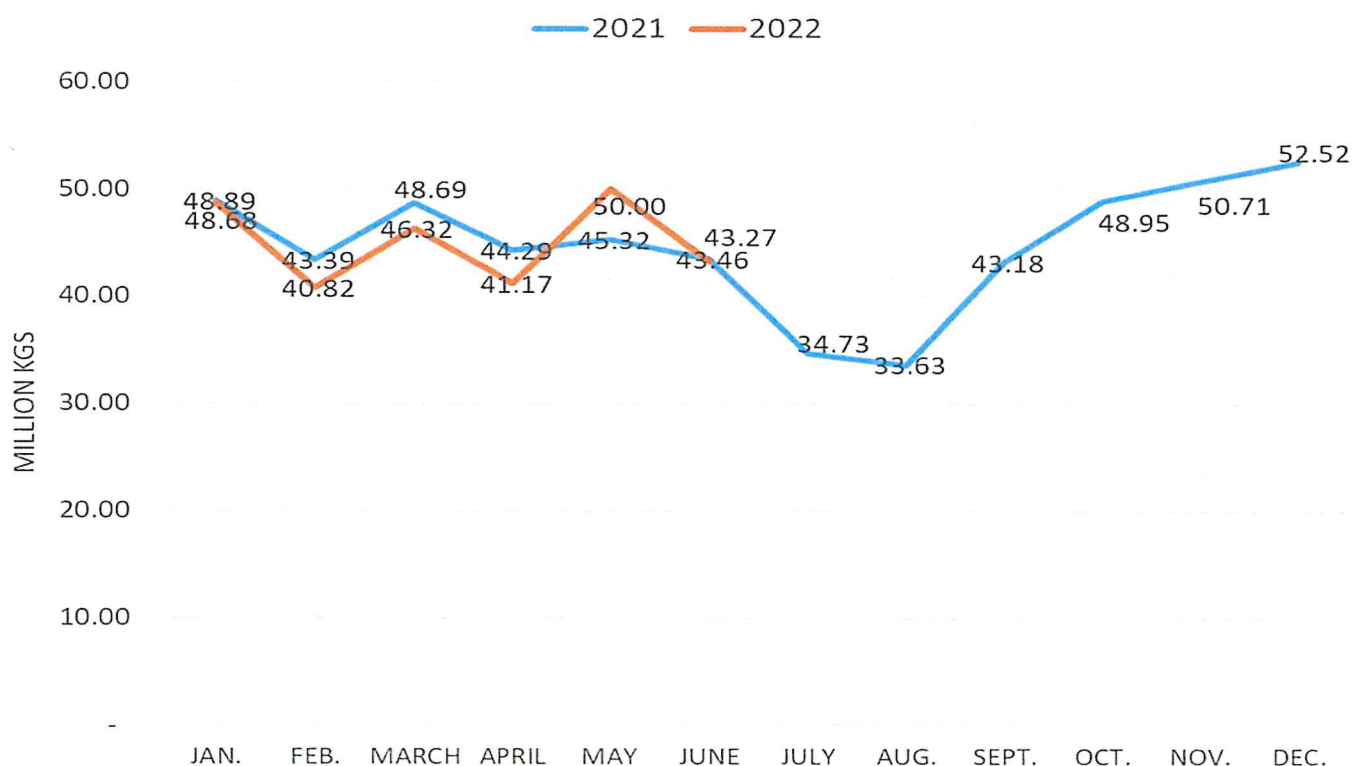


Table 1: Production by Sub-Sector and Region (2022 vis-à-vis 2021)

Sub-Sector	Region	June 2022	June 2021	Var. +/-	Var.(%)	Jan - June 2022	Jan - June 2021	Var. +/-	Var.(%)
Plantation	West of Rift	22,143,434	21,056,038	1,087,396	5.16%	111,728,441	115,761,357	- 4,032,916	-3.48%
	East of Rift	1,389,681	1,674,712	- 285,031	-17.02%	9,254,065	9,790,987	- 536,923	-5.48%
	Total	23,533,115	22,730,750	802,364	3.53%	120,982,506	125,552,344	- 4,569,839	-3.64%
Smallholder	West of Rift	9,730,549	10,522,419	- 791,870	-7.53%	65,385,087	61,183,781	4,201,306	6.87%
	East of Rift	10,004,650	10,215,779	- 211,129	-2.07%	83,995,350	87,341,405	- 3,346,055	-3.83%
	Total	19,735,199	20,738,198	- 1,002,999	-4.84%	149,380,438	148,525,186	855,251	0.58%
Plantation & Smallholder	West of Rift	31,873,983	31,578,457	295,526	0.94%	177,113,528	176,945,138	168,390	0.10%
	East of Rift	11,394,331	11,890,491	- 496,160	-4.17%	93,249,415	97,132,392	- 3,882,978	-4.00%
	Total	43,268,314	43,468,948	- 200,634	-0.46%	270,362,943	274,077,531	- 3,714,588	-1.36%

TEA SALES

AUCTION

During the month of June, auction sales volume for Kenyan tea stood at 40.54 Million Kgs, which was higher compared to 35.60 Million Kgs recorded in the corresponding month of last year. It was also higher in comparison with 38.85 Million Kgs sold in the month of May.

The average auction price for Kenyan tea during the month of June this year was slightly higher at 2.44 USD per Kg compared to 2.41 USD per Kg recorded in May but lower against 2.63 USD in April and 2.59 USD in March. However, it was higher compared to 1.80 USD and 1.85 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 six-month period of the year, average auction prices for Kenya tea stood at USD 2.56 per Kg, which was significantly higher compared to USD 1.96 for the same period of 2021, USD 2.05 in 2020 and USD 2.22 in 2019. During the half-year period of 2022, tea offered for sale by the smallholder tea factories fetched an average price of USD 2.75 per Kg for the main grades from an average price of USD 2.14 for January - June 2021 and USD 2.24 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 occasioned by the effects of COVID-19 Pandemic, the auction prices during the second quarter of the 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 in 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 June 2022 was lower by 30% from 45.15 Million Kgs recorded in the same period of last year to 31.70 Million Kgs. It was also lower compared to export volumes of 36.56 Million Kgs in May, 39.56 Million Kgs in April and 44.43 Million Kgs in March. The decline in export volume 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.

Despite lower export volume, the number of export markets were much higher at forty six (46) compared to forty three (43) for the same period of last year.

Pakistan maintained the leading export destination for Kenyan tea having imported 13.64 Million Kgs compared to 17.77 Million Kgs imported during the same month last year. Despite lower import volume, Pakistan accounted for 43% of the total export volume. Other key export destinations for Kenyan tea were UK (2.94 Million Kgs); UAE (2.63 Million Kgs); Egypt (2.57 Million Kgs); Yemen (1.53 million Kgs); Russia (1.13 Million Kgs); Afghanistan (1.07 Million Kgs); Nigeria (0.864 Million Kgs); Poland (0.605 Million Kgs); and Kazakhstan (0.559 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, Afghanistan, Nigeria 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 traditional markets such as in Sudan and Ireland and key emerging markets such as India; Switzerland; South Africa; Netherlands; USA; China; Chad; and Oman. Notably, a few shipments were recorded in seasonal markets such as Myanmar; Mauritius; Chile; Djibouti; Burkina Faso; Angola; Cote D'ivoire; and Italy.

Cumulative export volume for January to June was lower by 19% to stand at 243.33 Million Kgs compared to 298.68 Million Kgs for the half-year period of last year.

LOCAL TEA SALES

Local tea sales for June 2022 stood at 2.60 Million Kgs against 3.03 Million Kgs for the corresponding period of 2021 while cumulative sales in the local market for the six months' period up to June 2022 was lower at 15.05 Million Kgs against 18.47 Million Kgs for the same period of 2021 and 20.50 Million Kgs for the half-year period of 2020. Lower sales during the year to-June 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 half-year period of 2022 was higher at an average of 6.25 percent compared to 5.79 percent for the same period of 2021 and 5.89 percent in 2020.

14th September 2022

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

DESTINATION	2022- QUANTITY KGS	2021 - QUANTITY KGS	QUANTITY VARIANCE KGS	%AGE VARIANCE
PAKISTAN	13,641,097	17,771,720	- 4,130,623	-23%
UK	2,949,181	4,957,264	- 2,008,083	-41%
UAE	2,637,881	1,539,580	1,098,301	71%
EGYPT	2,573,881	6,158,195	- 3,584,314	-58%
YEMEN	1,536,662	1,504,000	32,662	2%
RUSSIA	1,136,897	2,244,314	- 1,107,417	-49%
AFGHANISTAN	1,071,356	158,808	912,548	575%
NIGERIA	864,455	653,338	211,117	32%
POLAND	605,571	1,089,209	- 483,638	-44%
KAZAKHSTAN	559,358	1,208,249	- 648,891	-54%
IRAN	498,961	422,104	76,857	18%
IRELAND	367,272	422,932	- 55,660	-13%
JORDAN	329,000		329,000	#DIV/0!
INDONESIA	251,360	265,853	- 14,493	-5%
SUDAN	238,533	2,227,796	- 1,989,263	-89%
SAUDI ARABIA	232,250	284,543	- 52,293	-18%
MALAYSIA	228,508	200,520	27,988	14%
INDIA	205,936	631,107	- 425,171	-67%
UKRAINE	200,806	120,835	79,971	66%
JAPAN	164,497	138,186	26,311	19%
SWITZERLAND	157,941	294,136	- 136,195	-46%
SOUTH AFRICA	118,925	271,752	- 152,827	-56%
TURKEY	116,404	164,936	- 48,532	-29%
SRI LANKA	108,845	151,843	- 42,998	-28%
NETHERLANDS	95,376	389,868	- 294,492	-76%
USA	88,512	301,358	- 212,846	-71%
CHINA	75,364	469,108	- 393,744	-84%
QATAR	67,496	100,815	- 33,319	-33%
UZBEKISTAN	64,800	86,413	- 21,613	-25%
SOMALIA	63,930	90,832	- 26,902	-30%
GERMANY	55,140	63,145	- 8,005	-13%
CHAD	54,738	164,175	- 109,437	-67%
CANADA	54,515	48,100	6,415	13%
MYANMAR	49,388		49,388	#DIV/0!
MAURITIUS	48,460		48,460	#DIV/0!
CHILE	43,872		43,872	#DIV/0!
DJIBOUTI	32,000		32,000	
OMAN	27,760	116,756	- 88,996	-76%
TAIWAN	19,448	60,000	- 40,552	-68%
GHANA	19,200	38,400	- 19,200	-50%
ESTONIA	12,920	22,680	- 9,760	-43%
NEW ZEALAND	12,800	25,600	- 12,800	-50%
BURKINA FASO	10,176		10,176	
ANGOLA	6,168		6,168	#DIV/0!
COTE D'IVOIRE	5,088		5,088	#DIV/0!
ITALY	300		300	#DIV/0!
FINLAND		17,117	- 17,117	-100%

ERITREA		68,810	- 68,810	-100%
HONG KONG			-	#DIV/0!
IRAQ		71,000	- 71,000	-100%
ISLE OF MAN		24,000	- 24,000	-100%
KYYGYSTAN		98,399	- 98,399	-100%
SINGAPORE		18,000	- 18,000	-100%
TOTAL	31,703,027.47	45,155,796	-13,452,769	-30%

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

DESTINATION	2022- QUANTITY KGS	2021- QUANTITY KGS	QUANTITY VARIANCE KGS	%AGE VARIANCE
PAKISTAN	96,587,867.73	111,528,670.80	-14,940,803	-13%
EGYPT	42,023,057.09	53,806,957.40	-11,783,900	-22%
UK	17,802,157.28	26,952,584.31	-9,150,427	-34%
UAE	15,011,729.00	16,641,669.90	-1,629,941	-10%
RUSSIA	11,252,135.00	14,137,820.00	-2,885,685	-20%
SUDAN	10,165,286.20	12,866,698.97	-2,701,413	-21%
YEMEN	10,076,809.00	9,935,459.00	141,350	1%
POLAND	4,175,026.00	4,553,101.00	-378,075	-8%
AFGHANISTAN	3,984,611.33	845,444.00	3,139,167	371%
KAZAKHSTAN	3,857,546.00	6,748,342.35	-2,890,796	-43%
SAUDI ARABIA	2,883,084.00	1,880,016.00	1,003,068	53%
IRELAND	2,866,853.80	3,093,803.00	-226,949	-7%
NIGERIA	2,424,285.00	3,325,026.00	-900,741	-27%
IRAN	2,013,763.20	3,161,107.00	-1,147,344	-36%
JORDAN	1,509,500.00	836,250.00	673,250	81%
INDIA	1,465,076.00	2,797,217.00	-1,332,141	-48%
SWITZERLAND	1,284,585.00	2,487,302.00	-1,202,717	-48%
USA	1,126,720.60	1,809,924.40	-683,204	-38%
INDONESIA	1,064,756.00	1,315,223.00	-250,467	-19%
MALAYSIA	1,045,922.00	1,471,347.00	-425,425	-29%
JAPAN	950,677.00	1,625,811.00	-675,134	-42%
CHINA	839,520.00		839,520	#DIV/0!
NETHERLANDS	828,721.52	2,364,087.00	-1,535,365	-65%
SOUTH AFRICA	812,594.00	746,296.00	66,298	9%
PERU	784,480.00	70,560.00	713,920	1012%
QATAR	781,761.00	712,705.00	69,056	10%
UKRAINE	736,860.00	1,318,066.00	-581,206	-44%
TURKEY	734,155.00	941,770.00	-207,615	-22%
BANGLADESH	453,600.00	406,800.00	46,800	12%
OMAN	397,984.00	523,707.00	-125,723	-24%
GERMANY	395,714.00	521,306.00	-125,592	-24%
UZBEKISTAN	341,694.00	1,059,109.00	-717,415	-68%
SOMALIA	331,859.73	833,450.00	-501,590	-60%
GHANA	326,100.00	414,592.00	-88,492	-21%
MAURITIUS	252,744.00	105,800.00	146,944	139%
SRI LANKA	251,585.00	1,299,719.00	-1,048,134	-81%
CANADA	166,080.00	390,480.00	-224,400	-57%
MYANMAR	159,728.00	133,067.00	26,661	20%
DJIBOUTI	140,350.00	139,278.00	1,072	1%
ERITREA	130,000.00	130,000.00	0	0%
FINLAND	109,714.00	33,608.00	76,106	226%
KYRGYZSTAN	108,724.00	276,901.00	-168,177	-61%
CHAD	105,138.00	563,339.00	-458,201	-81%

CHILE	74,567.60		74,568	#DIV/0!
NEW ZEALAND	64,000.00	64,000.00	0	0%
TAIWAN	62,438.00	146,280.00	-83,842	-57%
SINGAPORE	60,580.00	82,400.00	-21,820	-26%
MEXICO	48,808.80	27,000.00	21,809	81%
HONG KONG	48,360.00	104,312.00	-55,952	-54%
BURKINA FASO	36,048.00		36,048	#DIV/0!
BRAZIL	27,084.00	36,320.80	-9,237	-25%
ISRAEL	24,207.00	24,000.00	207	1%
AZERBAIJAN	22,500.00	44,232.00	-21,732	-49%
TANZANIA	21,100.00	9,970.00	11,130	112%
MALI	19,478.40	10,348.00	9,130	88%
LITHUANIA	13,085.00	7,224.00	5,861	81%
ESTONIA	12,920.00		12,920	#DIV/0!
ITALY	11,000.00	19,260.00	-8,260	-43%
ANGOLA	6,168.00		6,168	#DIV/0!
GUINEA	5,472.00		5,472	#DIV/0!
TOGO	5,174.40		5,174	#DIV/0!
COTE D'IVOIRE	5,088.00	2,926,196.00	-2,921,108	-100%
AUSTRALIA	1,380.00		1,380	#DIV/0!
FRANCE	500.00		500	#DIV/0!
SWAZILAND	331.20		331	#DIV/0!
CZECH REPUBLIC	235.00	225.00	10	4%
KOREA	116.00		116	#DIV/0!
BAHRAIN		12,412.00	-12,412	-100%
CAMEROON		8,083.00		
CONGO		8,106.60	-8,107	-100%
IRAQ		111,994.00	-111,994	-100%
ISLE OF MAN		24,000.00	-24,000	-100%
MOROCCO		48,000.00	-48,000	-100%
SENEGAL		5,174.00	-5,174	-100%
SOUTH KOREA		1,600.00	-1,600	-100%
TAJIKISTAN		23,829.00	-23,829	-100%
TURKMENISTAN		51,685.00	-51,685	-100%
UGANDA		3,518.00	-3,518	-100%
VIETNAM		71,174.00	-71,174	-100%
TOTAL	243,331,194.88	298,675,757.53	-55,344,563	-19%

