



TEA BOARD OF KENYA

Realizing the Tea Promise

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

Tea production for the month of January 2023 was higher by 6.08 Million Kgs from to 48.83 Million Kgs recorded during the same period of last year to 54.91 Million Kgs. Production during the month was however slightly lower compared to 55.32 Million Kgs recorded in December 2022. The increase in production for the month of January compared to the same month last year follows good weather conditions condition experienced in tea growing areas within the West of Rift during the first week of the month. In the West of Rift, Kericho experienced average rainfall of 56mm daily, Bomet and Kisii/Nyamira at 55mm and 27mm, respectively, while Nandi recorded an average precipitation of 56mm. However, the rainfall in the tea growing areas within the East of the Rift (Muranga/Nyeri/Kirinyaga and Embu/Meru) during the first week of was moderate and ranged between 23 to 28 mm daily.

As a result of high precipitation in the first week of the month, production in tea growing areas within the West of Rift was significantly higher by 6.91 Million Kgs from 29.80 Million Kgs recorded during the same month of 2022 to 36.71 Million Kgs. Consequent to low rainfall in the East of Rift, tea growing areas within the region recorded lower output by 0.82 Million Kgs from 19.02 Million Kgs to 18.19 Million Kgs. Notably, since the Plantation sub-sector has extensive coverage in tea growing areas that experienced good weather conditions in the West of Rift (Kericho, Bomet, Nandi and Nyamira), the sub-sector recorded significantly higher production by 6.58 Million Kgs from 19.95 Million Kgs to 26.54 Million Kgs. However, the Smallholder Sub-sector, which is more wide-spread in areas that experienced moderate rainfall, had a lower output by 0.50 Million Kgs from 28.87 Million Kgs recorded during the corresponding month of 2022 to 28.37 Million Kgs.

Tea Production Trend (2023 Vis.-a-vis. 2022)

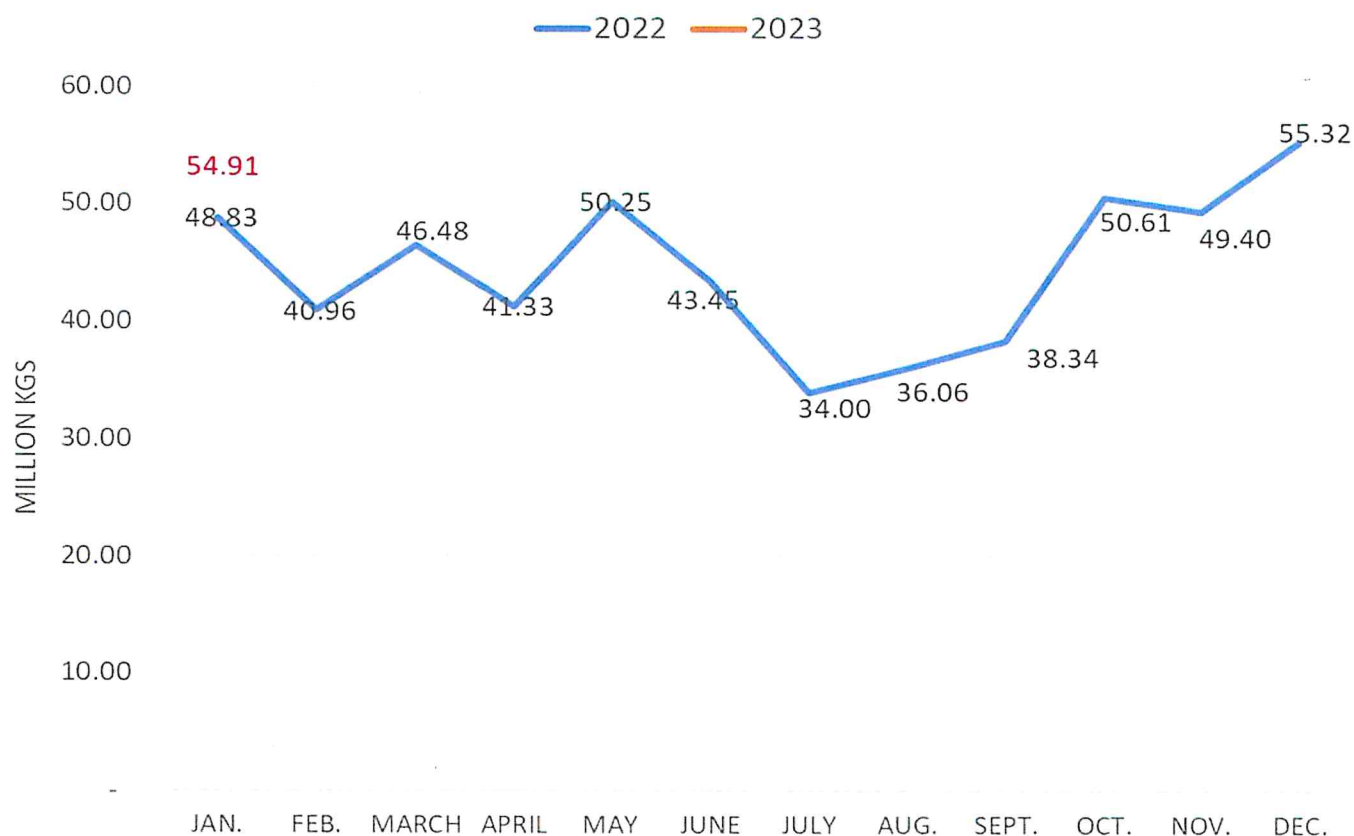


Table 1: Production by Sub-Sector and Region (2023 vis-à-vis 2022)

Sub-Sector	Region	January-23	January -22	Variance	Var.(%)
Plantation	West of Rift	24,543,011	17,888,723	6,654,288	37.20%
	East of Rift	2,003,317	2,070,289	- 66,972	-3.23%
	Total	26,546,328	19,959,012	6,587,316	33.00%
Smallholder	West of Rift	12,176,824	11,918,729	258,095	2.17%
	East of Rift	16,196,033	16,955,067	- 759,034	-4.48%
	Total	28,372,857	28,873,797	- 500,940	-1.73%
Plantation & Smallholder	West of Rift	36,719,835	29,807,452	6,912,383	23.19%
	East of Rift	18,199,350	19,025,357	- 826,007	-4.34%
	Total	54,919,185	48,832,809	6,086,376	12.46%

TEA SALES

AUCTION

During the month of January, auction sales volume for Kenya tea stood at 32.70 Million Kgs, which was lower compared to 37.45 Million kgs recorded during the corresponding month of last year but higher than that of December 2022 which was 25.30 Million Kgs. However, the average monthly auction price for Kenya tea was lower at 2.33 USD per Kg against 2.68 USD in the same period of last year and 2.39 USD recorded in the month of December last year. During the month of January 2023, tea offered for sale

by the smallholder tea factories fetched an average price of 2.65 USD per Kg for the main grades, which was lower compared to an average price of 2.96 USD in the month of January 2022 and 2.72 USD recorded in December 2022. Though there was generally good demand for tea offered at the auction, the prices continued to be impacted negatively by the effect of global economic shock experienced in most countries due to the Russia-Ukraine crisis. The crisis has continued to cause increases in commodity prices thus affecting consumer purchasing power, shortage of forex reserves required for importation and weakening of local currencies against the USD within the markets.

However, prices of tea followed the quality, with "Best" category of CTC leaf grades fetching higher prices at between USD 2.55 to 5.71 per Kg for the BP1s and 2.62 to 3.18 for the PF1s while tea prices for a similar category of the dust grades ranged between USD 2.70 to 3.22 for PDust and USD 2.70 to 2.90 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.

EXPORTS

The total export volume for the month of January 2023 was lower by 29% from 45.94 Million Kgs recorded in the same period of last year to 32.72 Million Kgs. It was also lower compared to 34.32 Million Kgs exported during the month of December 2022. Lower export volume was due to less imports by Pakistan, Egypt, Sudan and Russia.

During the month, Kenya tea was shipped to forty nine (49) export destinations compared to forty eight (48) for the same period of last year. Pakistan maintained the leading export destination for Kenyan tea having imported 12.39 Million Kgs, accounting for 39% of the total export volume.

Other key export destinations for Kenyan tea were Egypt (5.58 Million Kgs), UK (3.53 Million Kgs), UAE (1.85 Million Kgs), Yemen (1.52 Million Kgs), Russia (1.19 Million Kgs), Sudan (0.79 Million Kgs), Afghanistan (0.75 Million Kgs), Kazakhstan (0.62 Million Kgs) and Saudi Arabia (0.60 Million Kgs). The top ten export destinations, majority of which are traditional markets for Kenyan tea accounted for 88% of Kenya tea export volume. Apart from UK, Yemen, Afghanistan, and Kazakhstan, the other traditional markets recorded less imports for Kenya tea. However, there was significant increase

in exports to other traditional emerging markets such as Ukraine, Switzerland, Jordan, Netherlands, Qatar and Somalia. There were also a few shipments to seasonal markets such as Spain; Chile; Burkina Faso; Brazil; Benin; Cote D'ivoire; Guinea; and Niger.

LOCAL TEA SALES

Local tea sales for January 2023 was 3.02 Million Kgs against 2.57 Million Kgs in January 2022 and 2.95 Million Kgs recorded during the corresponding month of 2021. However, it was also lower compared to 3.73 Million Kgs recorded in the month of December 2022.

17TH MARCH 2023

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

DESTINATION	2023- QUANTITY KGS	2022- QUANTITY KGS	QUANTITY VARIANCE KGS	%AGE VARIANCE
PAKISTAN	12,397,043	17,888,788.00	-5,491,745	-31%
EGYPT	5,580,719	8,663,046.40	-3,082,327	-36%
UK	3,530,538	3,313,421.00	217,117	7%
UAE	1,854,050	1,925,149.00	-71,099	-4%
YEMEN	1,524,870	1,268,017.00	256,853	20%
RUSSIA	1,194,532	3,095,998.00	-1,901,466	-61%
SUDAN	793,317	3,143,622.10	-2,350,305	-75%
AFGHANISTAN	754,572	421,470.00	333,102	79%
KAZAKHSTAN	622,534	570,968.00	51,566	9%
SAUDI ARABIA	595,189	714,542.00	-119,353	-17%
POLAND	409,988	438,751.00	-28,763	-7%
UKRAINE	368,780	188,263.00	180,517	96%
IRELAND	364,664	613,995.00	-249,331	-41%
SWITZERLAND	332,926	196,800.00	136,126	69%
NIGERIA	292,600	553,488.00	-260,888	-47%
JORDAN	262,000		262,000	#DIV/0!
NETHERLANDS	249,304	76,250.00	173,054	227%
IRAN	218,235	146,052.00	72,183	49%
INDIA	178,824	244,145.00	-65,321	-27%
QATAR	147,002	22,281.00	124,721	560%
USA	146,378	233,577.40	-87,199	-37%
SOMALIA	118,752	18,500.00	100,252	542%
CHINA	106,877	294,872.00	-187,995	-64%
JAPAN	76,200	126,060.00	-49,860	-40%
GERMANY	75,320	59,520.00	15,800	27%
SOUTH AFRICA	66,657	45,672.00	20,985	46%
MALAYSIA	62,400	288,632.00	-226,232	-78%
TAIWAN	58,450	13,250.00	45,200	341%
SPAIN	44,896		44,896	#DIV/0!
CHILE	37,129		37,129	#DIV/0!
BURKINA FASO	28,462		28,462	#DIV/0!
MYANMAR	26,000	26,928.00	-928	-3%
TURKEY	26,000	114,148.00	-88,148	-77%
UZBEKISTAN	24,000	65,955.00	-41,955	-64%
HONG KONG	23,830	22,680.00	1,150	5%
CANADA	23,040	200.00	22,840	11420%
ROMANIA	21,280		21,280	#DIV/0!
SENEGAL	15,523		15,523	#DIV/0!
SINGAPORE	15,000	14,000.00	1,000	7%
SRI LANKA	13,000	36,522.00	-23,522	-64%
GHANA	10,856	25,500.00	-14,644	-57%
BRAZIL	6,000		6,000	#DIV/0!
BENIN	5,174		5,174	#DIV/0!
COTE D'IVOIRE	5,174		5,174	#DIV/0!
GUINEA	5,174		5,174	#DIV/0!
NIGER	5,174		5,174	#DIV/0!
ITALY	4,600	4,600.00	0	0%
INDONESIA	2,600	297,624.00	-295,024	-99%
CZECH REPUBLIC	100	100.00	0	0%

SOUTH KOREA		116.00	-116	-100%
MEXICO		18,000.00	-18,000	-100%
ISRAEL		24,207.00	-24,207	-100%
DJIBOUTI		32,000.00	-32,000	-100%
KYRGYZSTAN		35,124.00	-35,124	-100%
CHAD		50,400.00	-50,400	-100%
OMAN		53,600.00	-53,600	-100%
FINLAND		86,625.00	-86,625	-100%
BANGLADESH		96,000.00	-96,000	-100%
PERU		375,231.00	-375,231	-100%
TOTAL	32,725,734	45,944,689.90	-13,218,956	-29%