



TEA BOARD OF KENYA

Realizing the Tea Promise

KENYA TEA INDUSTRY PERFORMANCE HIGHLIGHTS FOR OCTOBER 2022 PRODUCTION

Tea production for the month of October 2022 was slightly higher by 1.5 Million Kgs from 48.95 Million Kgs recorded in the same month of 2021 to 50.46 Million Kgs. Compared to the preceding months of the year, production for the month of October was also much more enhanced from 38.19 Million Kgs recorded in September and 35.89 Million Kgs recorded in August. Improved production for the month follows the commencement of "Short Rains" Season (October-November-December) subsequent to dry weather conditions recorded during the previous months. Unlike the previous year, the onset of the "Short Rains" season in October 2022 was prompt over most parts of the country especially in the highlands West of the Rift Valley, Central and South Rift Valley, and the Lake Victoria. In tea growing areas, the rainfall amounts received ranged from low to moderate depending on the region. In the West of the Rift Valley, tea growing areas within Kericho experienced moderate rainfall averaging 25mm to 59 mm daily while the precipitation amounts in the rest of the regions was low (Nandi-6mm to 48 mm; Bomet-3mm to 32 mm; Kisii/Nyamira less than 29mm). Within the East of Rift, most of the tea growing areas received low rainfall averaging less than 9mm daily coupled with alternate dry weather conditions.

Notably, since rainfall amounts and distribution within most of the tea growing areas in West of Rift Valley was comparable to the same period of the previous year, production within the region was steady at about 31.1 Million Kgs compared to 31.4 Million Kgs recorded during the month of October 2021. However, within the East of Rift, production was significantly higher at 19.35 Million Kgs compared to 17.48 Million Kgs

recorded during the corresponding month of 2021 owing to timely commencement of the “Short Rains” season in the region.

Following good weather conditions in the East and West of Rift compared to October 2021, production within the Plantation sub-sector was slightly higher by about 1.21 Million Kgs from 23.08 Million Kgs to 24.29 Million Kgs. Similarly, the smallholder sub-sector experienced enhanced production from 25.87 Million Kgs recorded during the corresponding month of 2021 to 26.17 Million Kgs.

However, cumulative production for the ten-month period was lower by 5.81 Million Kgs to stand at 428.77 Million Kgs against 434.58 Million Kgs recorded during the corresponding period of 2021. Going by the trend to-October, lower cumulative production is likely to be recorded for the year 2022 as the rainfall recorded during the “Short Rains” season was depressed (below average) and poorly distributed in both time and space according to reports by Kenya Meteorological Department.

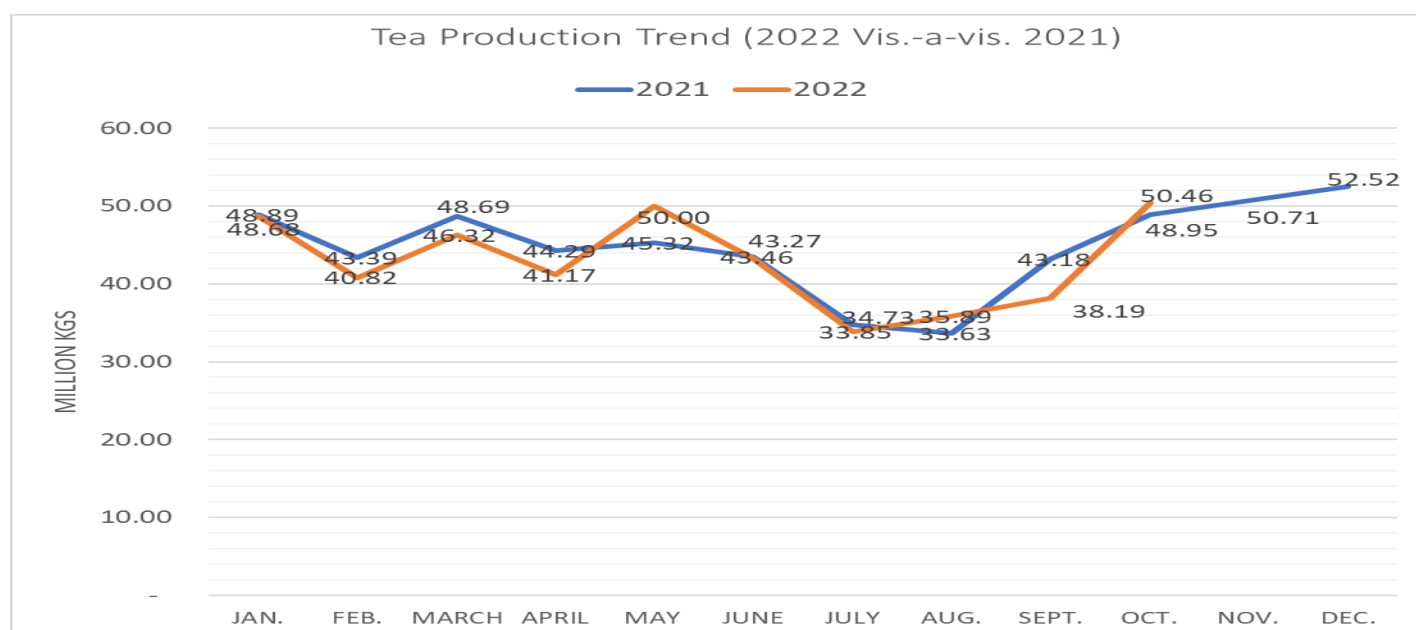


Table 1: Production by Sub-Sector and Region (2022 vis-à-vis 2021)

Sub-Sector	Region	Oct 2022	Oct 2021	Variance +/-	Var.(%)	Jan - Oct 2022	Jan - Oct 2021	Variance +/-	Var.(%)
Plantation	West of Rift	21,207,124	20,893,255	313,870	1.50%	193,057,217	192,943,847	113,371	0.06%
	East of Rift	3,088,458	2,187,600	900,858	41.18%	15,100,269	15,158,401	- 58,133	-0.38%
	Total	24,295,582	23,080,855	1,214,728	5.26%	208,157,486	208,102,248	55,238	0.03%
Smallholder	West of Rift	9,908,293	10,577,359	- 669,066	-6.33%	98,038,456	98,863,703	- 825,247	-0.83%
	East of Rift	16,262,490	15,298,673	963,817	6.30%	122,578,455	127,621,369	- 5,042,913	-3.95%
	Total	26,170,783	25,876,032	294,751	1.14%	220,616,912	226,485,072	- 5,868,160	-2.59%

Plantation & Smallholder	West of Rift	31,115,418	31,470,614	- 355,196	-1.13%	291,095,674	291,807,550	- 711,876	-0.24%
	East of Rift	19,350,948	17,486,273	1,864,675	10.66%	137,678,724	142,779,770	- 5,101,046	-3.57%
	Total	50,466,366	48,956,887	1,509,479	3.08%	428,774,398	434,587,320	- 5,812,922	-1.34%

TEA SALES

AUCTION

During the month of October, auction sales volume for Kenyan tea was slightly higher at 29.46 Million Kgs compared to 28.30 Million Kgs in the previous month of the year and 29.06 Million Kgs recorded in October 2021. Increased auction sales in October follows improved demand in key markets such as Pakistan and Sudan and resumption of buying activity by Russia and Iran. Consequently, the average auction price for Kenyan tea during the month of October 2022 was slightly higher at 2.46 USD per Kg compared to 2.36 USD per Kg recorded in September and 2.39 USD per Kg in August. It was also higher compared to 1.98 USD and 2.33 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 ten-month period of the year, average auction prices for Kenya tea stood at USD 2.49 per Kg, which was significantly higher compared to USD 2.02 for the same period of 2021 and 2020, respectively and USD 2.19 in 2019. During the ten-month period of 2022, tea offered for sale by the smallholder tea factories fetched an average price of USD 2.71 per Kg for the main grades from an average price of USD 2.35 recorded during the period January to October 2021 and USD 2.22 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 for the smallholder tea factories occasioned by the effects of COVID-19 Pandemic, the auction prices during the period March-October 2022 slackened due to the effect of global economic shock in most markets brought about by the Russia-Ukraine crisis. Notably, during the period between March and September, exporters of tea to Russia and Iran markets were less active in tea buying at the auction.

EXPORTS

The total export volume for the month of October 2022 was lower by 22% from 41.82 Million Kgs recorded in the same period of 2021 to 33.22 Million Kgs. The export volume was however more or less similar to that of September which was about 34.14 Million Kgs. However, the number of export markets were higher at fifty five (55) compared to forty eight (48) for the same period of 2021 due to enhanced demand in the global markets occasioned by cold weather conditions following the onset of winter season.

During the month, Pakistan maintained its position as the leading export destination for Kenyan tea having imported 15.21 Million Kgs compared to 15.80 Million Kgs imported during similar period of 2021. Tea imports by Pakistan from Kenya also recorded improved performance compared to the preceding months of the year and accounted for 46% of the total export volume. Other key export destinations for Kenyan tea were UK (2.70 Million Kgs); Russia (2.40 Million Kgs); Egypt (2.28 Million Kgs); Sudan (2.09 Million Kgs); UAE (1.36 Million Kgs); Jordan (0.786 Million Kgs); Yemen (0.554 million Kgs); Saudi Arabia (0.552 Million Kgs); and Afghanistan (0.496 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 Sudan; Jordan; Saudi Arabia; and Afghanistan, all the other traditional markets recorded lower tea imports from Kenya compared to the same period of 2021. Decline was also recorded in other key and emerging markets such as in Poland; Kazakhstan; India; USA; Oman; Turkey, Canada; Sri Lanka; Taiwan and Netherlands as well as in seasonal markets such as Kyrgyzstan; Ukraine; Chad among others. The decline in exports was attributed to the global economic recession that has affected purchasing power in most of the markets. However, a few shipments were recorded in other seasonal and emerging markets such as Djibouti; Romania; Azerbaijan; Chile; Peru; Tajikistan; Burkina Faso; Mauritius; Puerto Rico; Seychelles; Gabon; Mauritania; Niger; Togo; Senegal; Brazil; Italy; and Australia.

Cumulative export volume for January to October 2022 was lower by 21% to stand at 370.58 Million Kgs compared to 467.90 Million Kgs for the ten-month period of 2021.

LOCAL TEA SALES

Local tea sales for October 2022 stood at 3.31 Million Kgs against 3.12 Million Kgs for the corresponding period of 2021 while cumulative sales in the local market for the ten months period up to October 2022 was lower at 27.89 Million Kgs against 31.03 Million Kgs for the same period of 2021 and 33.69 Million Kgs for the ten months period of 2020. Less sales during the year to-October was attributed to lower demand of tea due to reduced purchasing power amongst the consumers occasioned by inflationary pressure on commodity prices. The high rate of inflation was brought about by effect of the ongoing global economic recession. Overall inflation rate for the ten month period of 2022 was higher at an average of 7.31 percent compared to 6.18 percent for the same period of 2021 and 5.25 percent in 2020.

29th November 2022

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

DESTINATION	2022- QUANTITY KGS	2021 - QUANTITY KGS	QUANTITY VARIANCE KGS	%AGE VARIANCE
PAKISTAN	15,216,566	15,807,289	-590,723	-4%
UK	2,704,656	4,414,337	-1,709,681	-39%
RUSSIA	2,404,941	2,455,192	-50,251	-2%
EGYPT	2,282,316	8,341,206	-6,058,890	-73%
SUDAN	2,091,075	1,158,103	932,972	81%
UAE	1,369,786	2,061,357	-691,571	-34%
JORDAN	786,000	588,750	197,250	34%
YEMEN	554,000	716,500	-162,500	-23%
SAUDI ARABIA	552,000	227,219	324,781	143%
AFGHANISTAN	496,700	67,764	428,936	633%
IRAN	450,937	380,064	70,873	19%
POLAND	419,852	990,008	-570,156	-58%
IRELAND	414,260	372,034	42,226	11%
CHINA	413,953	286,458	127,495	45%
NIGERIA	354,286	196,000	158,286	81%
KAZAKHSTAN	332,964	795,113	-462,149	-58%
JAPAN	271,748	247,410	24,338	10%
SWITZERLAND	244,176	256,474	-12,298	-5%
INDONESIA	205,820	141,336	64,484	46%
SOMALIA	200,969	66,552	134,417	202%
INDIA	182,820	264,948	-82,128	-31%
MALAYSIA	179,365	189,366	-10,001	-5%
USA	127,445	344,841	-217,396	-63%
UKRAINE	110,400	254,649	-144,249	-57%
BANGLADESH	96,000	96,000	0	0%
UZBEKISTAN	84,200	74,417	9,783	13%
GERMANY	82,200	70,062	12,138	17%
DJIBOUTI	52,500		52,500	
OMAN	48,300	154,164	-105,864	-69%
ROMANIA	48,000		48,000	
AZERBAIJAN	46,500		46,500	
TURKEY	45,632	163,512	-117,880	-72%
KYRGYZSTAN	41,000	58,508	-17,508	-30%
CANADA	32,400	93,885	-61,485	-65%
HONG KONG	29,260	22,680	6,580	29%
CHILE	29,221		29,221	
PERU	26,952		26,952	
SINGAPORE	25,220	2,430	22,790	938%
CHAD	25,200	36,592	-11,392	-31%
TAJIKISTAN	21,600		21,600	
BURKINA FASO	20,702		20,702	
MAURITIUS	17,958		17,958	
PUERTO RICO	15,552		15,552	
SRI LANKA	14,300	72,932	-58,632	-80%
TAIWAN	13,320	25,000	-11,680	-47%
SEYCHELLES	5,790		5,790	
GABON	5,174		5,174	

MAURITANIA	5,174		5,174	
NIGER	5,174		5,174	
TOGO	5,174		5,174	
SENEGAL	5,174		5,174	
NETHERLANDS	4,638	46,162	-41,524	-90%
BRAZIL	3,000		3,000	
ITALY	1,000		1,000	
AUSTRALIA	625	1,440	-815	-57%
DR CONGO		8,107	-8,107	-100%
FINLAND		37,870	-37,870	-100%
GAMBIA		960	-960	-100%
ISRAEL		24,000	-24,000	-100%
MEXICO		9,000	-9,000	-100%
MOROCCO		500	-500	-100%
MYANMAR		28,000	-28,000	-100%
NEWZEALAND		12,800	-12,800	-100%
QATAR		144,988	-144,988	-100%
SOUTH AFRICA		18,700	-18,700	-100%
TOTAL	33,223,978	41,825,680	-8,601,702	-21%

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

DESTINATION	2022- QUANTITY KGS	2021- QUANTITY KGS	QUANTITY VARIANCE KGS	%AGE VARIANCE
PAKISTAN	151,593,159	173,756,686	-22,163,526	-13%
EGYPT	54,627,286	81,639,164	-27,011,877	-33%
UK	28,883,743	40,572,540	-11,688,797	-29%
UAE	22,658,494	24,414,582	-1,756,088	-7%
SUDAN	17,076,808	26,128,962	-9,052,154	-35%
RUSSIA	16,149,921	25,562,084	-9,412,163	-37%
YEMEN	14,083,830	13,226,955	856,875	6%
KAZAKHSTAN	6,229,946	10,336,018	-4,106,072	-40%
POLAND	5,926,551	7,936,098	-2,009,547	-25%
AFGHANISTAN	5,823,314	1,657,199	4,166,115	251%
SAUDI ARABIA	5,396,800	2,935,979	2,460,821	84%
IRELAND	3,938,666	4,353,616	-414,951	-10%
NIGERIA	3,855,057	5,089,032	-1,233,975	-24%
IRAN	3,691,294	5,491,681	-1,800,387	-33%
JORDAN	3,243,000	1,900,000	1,343,000	71%
INDONESIA	2,476,510	1,950,781	525,729	27%
INDIA	2,023,841	3,801,625	-1,777,784	-47%
SWITZERLAND	2,019,662	4,117,262	-2,097,600	-51%
MALAYSIA	1,923,861	1,897,612	26,249	1%
JAPAN	1,883,185	2,946,221	-1,063,036	-36%
CHINA	1,661,515	4,660,951	-2,999,436	-64%
USA	1,420,670	2,903,818	-1,483,149	-51%
TURKEY	1,202,179	1,689,419	-487,240	-29%
UKRAINE	1,164,362	2,294,037	-1,129,675	-49%
SOMALIA	1,068,737	1,054,641	14,096	1%
SOUTH AFRICA	1,068,068	1,039,076	28,992	3%
NETHERLANDS	1,040,008	2,781,647	-1,741,639	-63%
PERU	995,912	117,080	878,832	751%
QATAR	781,761	1,146,306	-364,545	-32%
BANGLADESH	741,600	694,800	46,800	7%
UZBEKISTAN	735,866	1,227,951	-492,085	-40%
OMAN	656,900	1,011,562	-354,662	-35%
GERMANY	580,405	1,012,542	-432,137	-43%
MAURITIUS	421,423	297,400	124,023	42%
GHANA	390,847	452,992	-62,145	-14%
SRI LANKA	377,954	1,649,046	-1,271,092	-77%
CANADA	302,440	647,885	-345,445	-53%
KYRGYZSTAN	245,724	400,276	-154,552	-39%
DJIBOUTI	192,850	198,284	-5,434	-3%
CHILE	177,549	2,134	175,415	8220%
TAIWAN	168,838	367,460	-198,622	-54%
MYANMAR	159,728	161,067	-1,339	-1%
CHAD	157,380	880,853	-723,473	-82%

SINGAPORE	130,800	116,930	13,870	12%
ERITREA	130,000	130,000	0	0%
AZERBAIJAN	117,770	97,787	19,983	20%
FINLAND	109,714	71,478	38,236	53%
BURKINA FASO	108,494		108,494	
HONG KONG	100,300	205,090	-104,790	-51%
ZAMBIA	99,220		99,220	
NEW ZEALAND	89,600	89,600	0	0%
MEXICO	48,809	63,000	-14,191	-23%
ROMANIA	48,000		48,000	
ESTONIA	46,700		46,700	
COTE D'IVOIRE	36,134		36,134	
ISRAEL	35,007	72,000	-36,993	-51%
MALI	35,002	10,348	24,654	238%
BRAZIL	30,084	36,321	-6,237	-17%
LITHUANIA	25,905	7,224	18,681	259%
TAJIKISTAN	21,600	23,829	-2,229	-9%
TANZANIA	21,100	20,220	880	4%
Puerto Rico	15,552		15,552	
GABON	15,523		15,523	
SENEGAL	15,523	5,174	10,349	200%
IRAQ	12,998	189,326	-176,328	-93%
ITALY	12,000	28,460	-16,460	-58%
TOGO	10,349		10,349	
BAHRAIN	8,496	12,412	-3,916	-32%
ANGOLA	6,168	24,058	-17,890	-74%
Seychelles	5,790		5,790	
GUINEA	5,472	5,472	0	0%
CONGO	5,174	16,214	-11,039	-68%
MAURITANIA	5,174		5,174	
NIGER	5,174		5,174	
AUSTRALIA	2,005	1,665	340	20%
BENIN	1,887		1,887	
FRANCE	500	8,165	-7,665	-94%
CZECH REPUBLIC	335	325	10	3%
SWAZILAND	331	1,037	-706	-68%
SOUTH KOREA	116		116	
CAMEROON		8,083	-8,083	-100%
GAMBIA		960	-960	-100%
ISLE OF MAN		24,000	-24,000	-100%
IVORY COAST		7,764	-7,764	-100%
MOROCCO		67,900	-67,900	-100%
SOUTH KOREA		1,600	-1,600	-100%
SPAIN		22,880	-22,880	-100%
TURKMENISTAN		51,685	-51,685	-100%

UGANDA		5,433	-5,433	-100%
VIETNAM		71,174	-71,174	-100%
TOTAL	370,580,452	467,902,938	-97,322,486	-21%