



TEA BOARD OF KENYA

Realizing the Tea Promise

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

Tea production for the month of May 2022 was more enhanced by 4.77 Million Kgs from 45.32 Million Kgs recorded in the same period of 2021 to 50 Million Kgs. Compared to the previous months, production for May was higher than 41.17 Million Kgs recorded in April and 46.32 Million Kgs in March. Higher production was attributed to good weather conditions characterised by warm temperatures and enhanced rainfall. Though the month of May usually marks the cessation of the "long rains" season over most parts of the country except for the Coastal region and Western Kenya, several parts of the country experienced slightly enhanced rainfall, which was above-average during the first half of the month and near-average during the second half of the month.

In tea growing areas West of the Rift, Kericho experienced partly sunny mornings followed by downpours averaging 108-165mm daily in the first two weeks of the month. In other parts of the West of Rift, average daily precipitation was also high and ranged between 73-92mm in Nandi and 40-62 mm in Bomet, Kisii and Nyamira. Compared to the West of Rift, tea growing areas in the East of Rift recorded slightly lower precipitation averaging between 53-144 mm daily during the first half of the month. Consequently, output in the West of Rift recorded significant increase of 3.07 Million Kgs from 29.58 Million Kgs registered during the corresponding month of 2021 to 32.65 Million Kgs. Similarly, in the East of Rift, an increase of 1.70 Million Kgs in output was recorded from 15.73 Million Kgs recorded during the corresponding month of 2021 to 17.43 Million Kgs. Due to good coverage of the Smallholder Sub-sector in tea growing areas that recorded favourable weather conditions both in the West and



East of Rift, output within the sub-sector rose significantly by 2.91 Million Kgs from 24.88 Million Kgs to 27.79 Million Kgs. Similarly, the Plantation sub-sector recorded higher production of 1.87 Million Kgs from 20.43 Million Kgs recorded during the corresponding month of 2021 to 22.30 Million Kgs.

Despite higher output in the month of May, cumulative production for the first five months of the year was lower by 3.51 Million Kgs to stand at 227.09 Million Kgs against 230.60 Million Kgs recorded during the corresponding period of 2021. Notably, due to unfavourable weather conditions experienced during the first four months of the year, lower production trend to-date is likely to continue throughout the rest of the year.

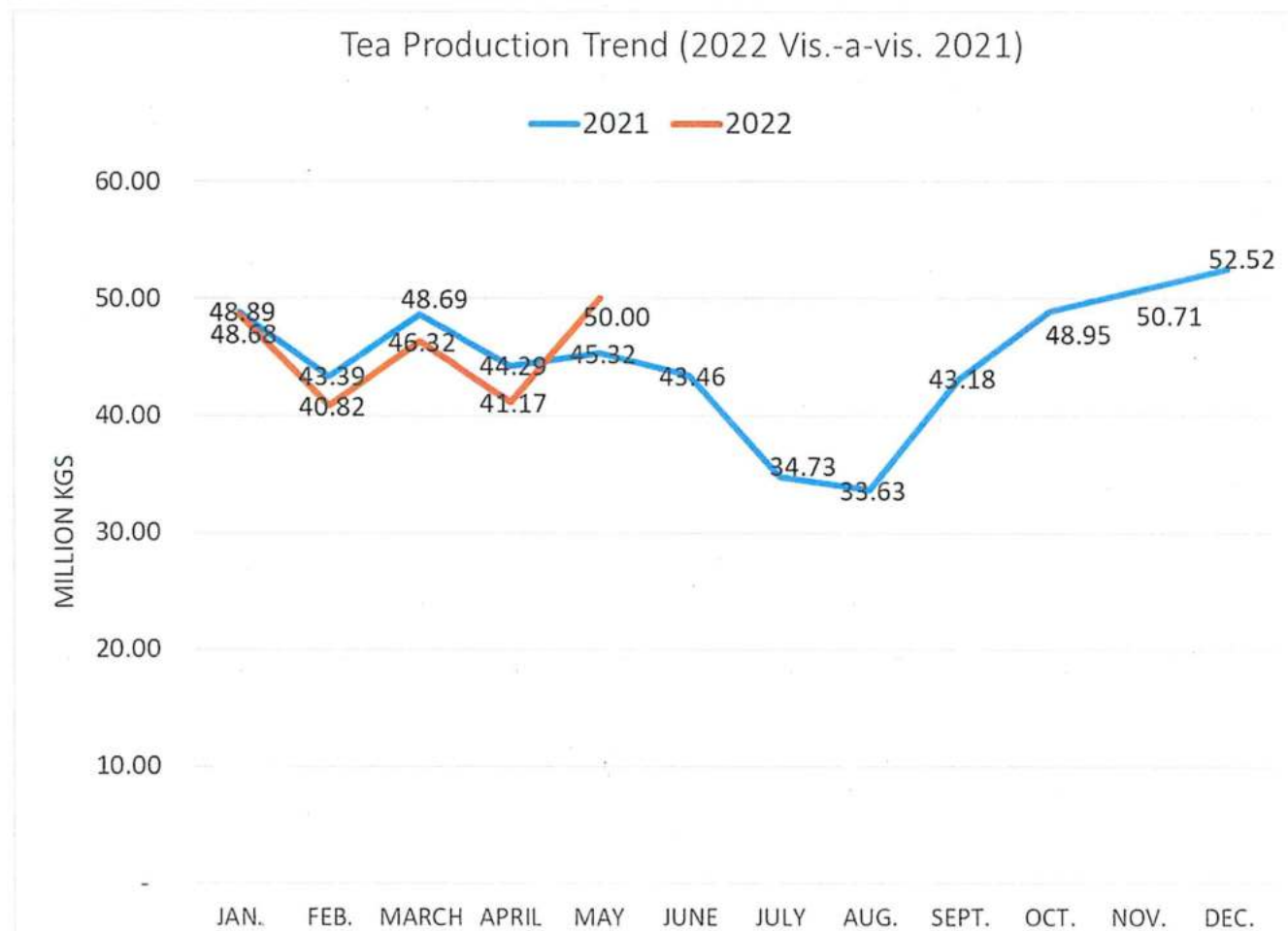


Table 1: Production by Sub-Sector and Region (2022 vis-à-vis 2021)

Sub-Sector	Region	MAY 2022	MAY 2021	Var. +/-	Var.(%)	Jan - May 2022	Jan - May 2021	Var. +/-	Var.(%)
Plantation	West of Rift	20,740,074	19,025,055	1,715,019	9.01%	89,585,008	94,705,319	- 5,120,311	-5.41%
	East of Rift	1,560,024	1,412,826	147,198	10.42%	7,864,383	8,116,275	- 251,892	-3.10%
	Total	22,300,098	20,437,881	1,862,217	9.11%	97,449,391	102,821,594	- 5,372,203	-5.22%
Smallholder	West of Rift	11,915,179	10,558,108	1,357,071	12.85%	55,654,538	50,661,362	4,993,176	9.86%
	East of Rift	15,877,969	14,325,646	1,552,323	10.84%	73,990,700	77,125,626	- 3,134,926	-4.06%
	Total	27,793,148	24,883,754	2,909,394	11.69%	129,645,238	127,786,988	1,858,250	1.45%
Plantation & Smallholder	West of Rift	32,655,253	29,583,163	3,072,090	10.38%	145,239,546	145,366,681	- 127,136	-0.09%
	East of Rift	17,437,993	15,738,472	1,699,521	10.80%	81,855,083	85,241,901	- 3,386,817	-3.97%
	Total	50,093,246	45,321,635	4,771,611	10.53%	227,094,629	230,608,582	- 3,513,953	-1.52%

TEA SALES

AUCTION

During the month of May, auction sales volume for Kenyan tea stood at 38.85 Million Kgs, which was lower compared to 45.84 Million Kgs recorded in the corresponding month of last year. It was also lower in comparison with 40.77 Million Kgs sold in the month of April and 45.29 Million Kgs sold in the month of March.

The average auction price for Kenyan tea during the month of May this year was slightly lower at 2.41 USD per Kg against 2.63 USD in April and 2.59 USD in March. However, it was higher compared to 1.91 USD and 1.98 USD recorded during the same period of 2021 and 2020, respectively. Lower prices compared to the previous months was due to less buying activity as several markets imported less quantities owing to continued effect of the global economic shock caused by the impact of Russia-Ukraine crisis. As a result of the crisis, most global economies are experiencing commodity shortages, rising fuel prices, scarcity of foreign exchange reserves and depreciation of local currencies leading to soaring inflation and slow economic growth. The crisis which started at the end of February this year came at a time when most economies were on the path to economic recovery after experiencing slow growth due to the effect of Covid-19 Pandemic in 2020 and 2021.

Despite the global economic shock occasioned by Russia-Ukraine crisis, the auction prices to-date have remained buoyant after experiencing a declining trend to a seven-month low of 1.75 USD per Kg in July 2021. During the month of May 2022, tea offered for sale by the smallholder tea factories fetched an average price of 2.63 USD per Kg for the main grades compared to 2.05 USD in May 2021.

For all the teas offered for sale at the auction during the month, "Best" category of CTC leaf grades fetched higher prices at between USD 2.60 to 3.72 per Kg for the BP1s and 2.55 to 3.31 for the PF1s while tea prices for a similar category of the dust grades ranged between USD 2.65 to 3.19 for PDust and USD 2.64 to 3.29 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. There was no Orthodox tea grades on offer at the auction during the month.

EXPORTS

The total export volume for the month of May 2022 was lower by 28% from 50.76 Million Kgs recorded in the same period of last year to 36.56 Million Kgs. It was also lower compared to export volumes of 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.

The recession not only affected the export volume but also resulted to reduced number of export destinations especially to emerging and new markets. During the month, Kenya tea was shipped to forty (40) export destinations compared to fifty one (51) for the same period of last year. The export markets were also less compared to forty five (45) export destinations in the month of April and forty seven (47) export destinations during the month of March.

Pakistan maintained the leading export destination for Kenyan tea having imported 13.84 Million Kgs compared to 16.22 Million Kgs imported during the previous month. Imports by Pakistan accounted for 38% of the total export volume. Other key export destinations for Kenyan tea were Egypt (5.31 Million Kgs); UAE (3.54 Million Kgs); UK (2.72 Million Kgs); Yemen (1.67 million Kgs); Russia (1.66 Million Kgs); Sudan (1.57

Million Kgs); Poland (0.95 million Kgs); Afghanistan (0.70 million Kgs); and Kazakhstan (0.61 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, Sudan, Poland and Afghanistan, 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 key emerging markets such as Nigeria, Jordan, China and Netherlands.

Despite the market access challenges of occasioned by the Russia-Ukraine crisis, there was a gradual increase in exports to Russian from 1.61 Million Kgs recorded in April and 0.686 Million Kgs in March to 1.66 Million Kgs Kgs. However, export volume was lower compared to 2.55 million Kgs shipped during the correspondence month of last year. Notably, a few shipments were recorded in seasonal markets such as Nicaragua, Mali, Mexico, Singapore, Australia and Tanzania.

LOCAL TEA SALES

Local tea sales for May 2022 stood at 2.41 Million Kgs against 4.15 Million Kgs for the corresponding period of 2021 while cumulative tea sales for the five months period up to May 2022 was 12.45 Million Kgs against 15.44 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 7.1 percent in May compared to 6.5 percent in April 2022, 5.6 percent in March and 5.1 percent in February.

12th AUGUST 2022

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

DESTINATION	2022- QUANTITY KGS	2021 - QUANTITY KGS	QUANTITY VARIANCE KGS	%AGE VARIANCE
PAKISTAN	13,840,011	20,169,485	-6,329,473	-31%
EGYPT	5,313,361	8,799,721	-3,486,360	-40%
UAE	3,540,761	1,812,975	1,727,786	95%
UK	2,722,845	4,449,098	-1,726,253	-39%
YEMEN	1,671,379	1,890,255	-218,876	-12%
RUSSIA	1,655,046	2,547,477	-892,431	-35%
SUDAN	1,565,423	1,132,689	432,734	38%
POLAND	950,803	590,702	360,101	61%
AFGHANISTAN	702,799	134,648	568,151	422%
KAZAKHSTAN	613,666	1,564,906	-951,240	-61%
SAUDI ARABIA	414,412	281,740	132,672	47%
IRAN	387,457	484,360	-96,903	-20%
IRELAND	379,648	477,760	-98,112	-21%
SOUTH AFRICA	295,359	142,532	152,827	107%
INDIA	266,186	648,458	-382,272	-59%
USA	241,345	464,978	-223,633	-48%
JAPAN	239,320	246,113	-6,793	-3%
UKRAINE	199,429	143,716	55,713	39%
SWITZERLAND	168,104	294,136	-126,032	-43%
JORDAN	164,000	722,500	-558,500	-77%
NICARAGUA	160,166		160,166	#DIV/0!
QATAR	159,300	158,878	422	0%
TURKEY	147,704	92,696	55,008	59%
PERU	142,228	25,120	117,108	466%
CHINA	103,240	599,952	-496,712	-83%
MALAYSIA	88,826	192,514	-103,688	-54%
INDONESIA	87,756	210,828	-123,072	-58%
NIGERIA	81,876	773,459	-691,583	-89%
CANADA	67,460	45,240	22,220	49%
GHANA	38,400	76,800	-38,400	-50%
GERMANY	30,200	102,312	-72,112	-70%
MAURITIUS	28,584	45,800	-17,216	-38%
SOMALIA	26,000	66,384	-40,384	-61%
UZBEKISTAN	21,600	415,722	-394,122	-95%
MALI	14,304		14,304	#DIV/0!
NEW ZEALAND	12,800	12,800	0	0%
MEXICO	9,000		9,000	#DIV/0!
SINGAPORE	8,100		8,100	#DIV/0!
AUSTRALIA	1,300		1,300	#DIV/0!
TANZANIA	1,200	9,970	-8,770	-88%
AZERBAIJAN		18,350	-18,350	-100%
BRAZIL		10,580	-10,580	-100%
CHAD		48,727	-48,727	-100%
CONGO		8,107	-8,107	-100%
CZECH REP.		125	-125	-100%
FINLAND		4,491	-4,491	-100%
HONG KONG		22,680	-22,680	-100%

ITALY		4,600	-4,600	-100%
KYRGYZSTAN		70,372	-70,372	-100%
MOROCCO		48,000	-48,000	-100%
NETHERLANDS		355,931	-355,931	-100%
OMAN		128,389	-128,389	-100%
SRI LANKA		179,100	-179,100	-100%
TAIWAN		3,920	-3,920	-100%
UGANDA		3,518	-3,518	-100%
VIET NAM		35,374	-35,374	-100%
TOTAL	36,561,399	50,768,987.30	-14,207,588	-28%

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

DESTINATION	2022- QUANTITY KGS	2021- QUANTITY KGS	QUANTITY VARIANCE KGS	%AGE VARIANCE
PAKISTAN	82,946,771	93,756,950.80	-10,810,180	-12%
EGYPT	39,449,176	47,648,762.40	-8,199,587	-17%
UK	14,852,976	21,995,320.31	-7,142,344	-32%
UAE	12,373,848	15,102,089.90	-2,728,242	-18%
RUSSIA	10,115,238	11,893,506.00	-1,778,268	-15%
SUDAN	9,926,753	10,638,903.27	-712,150	-7%
YEMEN	8,540,147	8,431,459.00	108,688	1%
POLAND	3,569,455	3,463,892.00	105,563	3%
KAZAKHSTAN	3,298,188	5,540,093.35	-2,241,905	-40%
AFGHANISTAN	2,913,255	686,636.00	2,226,619	324%
SAUDI ARABIA	2,650,834	1,595,473.00	1,055,361	66%
IRELAND	2,499,582	2,670,871.00	-171,289	-6%
NIGERIA	1,559,830	2,671,688.00	-1,111,858	-42%
IRAN	1,514,802	2,739,003.00	-1,224,201	-45%
INDIA	1,259,140	2,166,110.00	-906,970	-42%
JORDAN	1,180,500	836,250.00	344,250	41%
SWITZERLAND	1,126,644	2,193,166.00	-1,066,522	-49%
USA	1,038,209	1,508,566.00	-470,357	-31%
MALAYSIA	817,414	1,270,827.00	-453,413	-36%
INDONESIA	813,396	1,049,370.00	-235,974	-22%
JAPAN	786,180	1,487,625.00	-701,445	-47%
PERU	784,480	70,560.00	713,920	1012%
CHINA	764,156	2,457,088.00	-1,692,932	-69%
NETHERLANDS	733,346	1,974,219.00	-1,240,873	-63%
QATAR	714,265	611,890.00	102,375	17%
SOUTH AFRICA	693,669	474,544.00	219,125	46%
TURKEY	617,751	776,834.00	-159,083	-20%
UKRAINE	536,054	1,197,231.00	-661,177	-55%
BANGLADESH	453,600	406,800.00	46,800	12%
OMAN	370,224	406,951.00	-36,727	-9%
GERMANY	340,574	458,161.00	-117,587	-26%
GHANA	306,900	376,192.00	-69,292	-18%
UZBEKISTAN	276,894	972,696.00	-695,802	-72%
SOMALIA	267,930	742,618.00	-474,688	-64%
MAURITIUS	204,284	105,800.00	98,484	93%
SRI LANKA	142,740	1,147,876.00	-1,005,136	-88%
ERITREA	130,000	61,190.00	68,810	112%
CANADA	111,565	342,380.00	-230,815	-67%
MYANMAR	110,340	133,067.00	-22,727	-17%
FINLAND	109,714	16,491.00	93,223	565%
KYRGYZSTAN	108,724	178,502.00	-69,778	-39%
DJIBOUTI	108,350	139,278.00	-30,928	-22%
SINGAPORE	60,580	64,400.00	-3,820	-6%

NEW ZEALAND	51,200	38,400.00	12,800	33%
CHAD	50,400	399,164.00	-348,764	-87%
MEXICO	48,809	27,000.00	21,809	81%
HONG KONG	48,360	81,632.00	-33,272	-41%
TAIWAN	42,990	86,280.00	-43,290	-50%
CHILE	30,696		30,696	#DIV/0!
BRAZIL	27,084	36,320.80	-9,237	-25%
BURKINA FASO	25,872	8,083.00	17,789	220%
ISRAEL	24,207	24,000.00	207	1%
AZERBAIJAN	22,500	44,232.00	-21,732	-49%
TANZANIA	21,100		21,100	#DIV/0!
MALI	19,478	10,348.00	9,130	88%
LITHUANIA	13,085	7,224.00	5,861	81%
ITALY	10,700	19,260.00	-8,560	-44%
GUINEA	5,472		5,472	#DIV/0!
TOGO	5,174	9,970.00	-4,796	-48%
AUSTRALIA	1,380		1,380	#DIV/0!
FRANCE	500		500	#DIV/0!
SWAZILAND	331		331	#DIV/0!
CZECH REPUBLIC	235	225.00	10	4%
SOUTH KOREA	116	1,600.00	-1,484	-93%
BAHRAIN		12,412.00	-12,412	-100%
CONGO		8,106.60	-8,107	-100%
IRAQ		40,994.00	-40,994	-100%
MOROCCO		48,000.00	-48,000	-100%
SENEGAL		5,174.00	-5,174	-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	211,628,167	253,519,961.43	-41,891,794	-17%

