



AGRICULTURE AND FOOD AUTHORITY

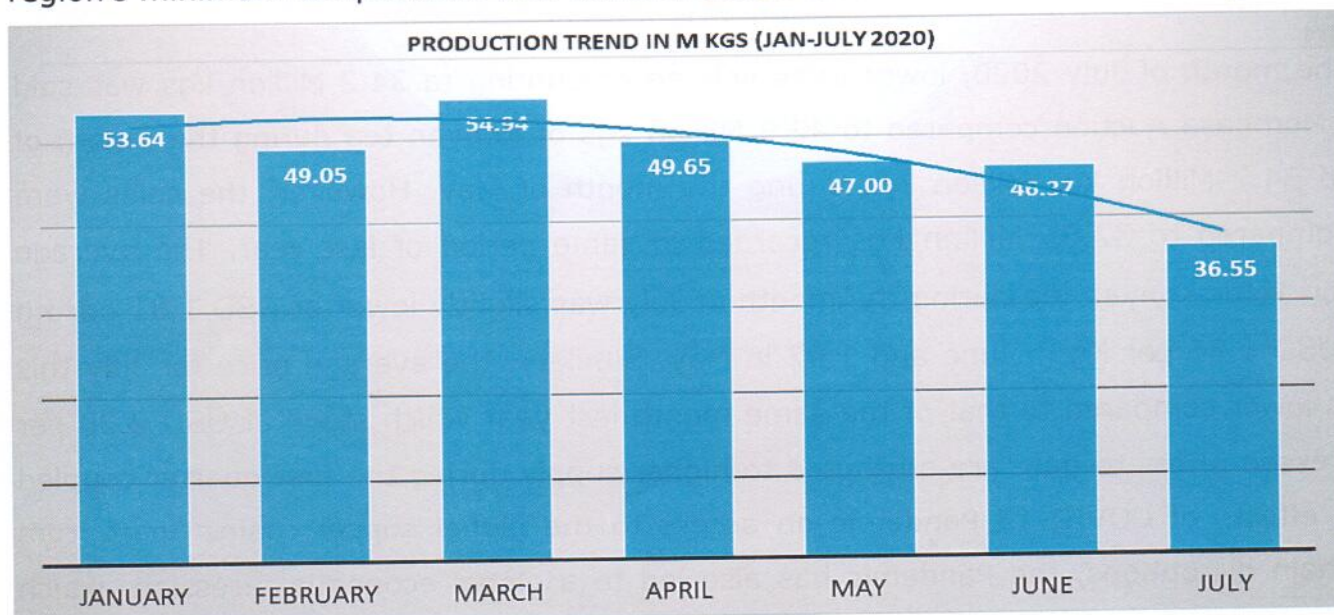
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KENYA TEA INDUSTRY PERFORMANCE HIGHLIGHTS FOR JULY 2020

PRODUCTION

Tea production for the month of July declined significantly to 36.55 Million Kgs from 46.37 Million Kgs in June and 47 Million Kgs recorded during the month of May. This follows significant reduction in output in most tea growing areas due to continued cold weather conditions coupled with declining amounts of rainfall. Within the tea growing areas of East and West of Rift, daily average precipitation waned to less than 30mm while minimum temperatures decreased to an average of 12°C. In the East of Rift, rainfall was much lower averaging less than 10mm daily with minimum average temperatures of 13°C leading to significant reduction in output within the region. Within the West of Rift, decline in rainfall was only pronounced in the tea growing areas of Kericho and Bomet counties while the region's minimum temperature was uniform across all the counties at an average of 11°C.



Compared to the month of July 2019, which recorded much lower production at 31.45 Million Kgs due to the effects of dry weather conditions, the output for July 2020 was higher by 16.2%. Production within East of Rift was higher by 25.3% from 7.55 Million Kgs to 9.47 Million Kgs. Similarly, West of Rift recorded an increase of 13.3% from 23.9 Million Kgs to 27 Million Kgs. Across the sub-sectors, production within the Smallholder sub-sector increased by 13.7% from 16.13 Million Kgs to 18.35 Million Kgs while that of the Plantation sub-sector was higher by 18.79% from 15.32 Million Kgs to 18.2 Million Kgs. Cumulatively, production for the first seven months of the year (January-July) was higher by 38% to stand at 337.23 Million Kgs against 244.06 Million Kgs recorded during the same period of 2019. However, the remaining period of the year is expected to register much lower production on account of cold weather conditions followed by dry weather prior to the onset of the "short Rains" season in October.

Table 1: Production by Sub-Sector and Region (2020 vis-à-vis 2019)

Sub-Sector	Region	July 2020	July 2019	Variance	Var.(%)	Jan - July 2020	Jan - July 2019	Variance +/-	Var.(%)
Plantation	West of Rift	17,041,842	14,154,759	2,887,083	20.40%	125,277,035	96,838,939	28,438,096	29.37%
	East of Rift	1,160,893	1,168,120	-7,227	-0.62%	11,501,292	8,063,629	3,437,663	42.63%
	Total	18,202,735	15,322,879	2,879,856	18.79%	136,778,327	104,902,568	31,875,759	30.39%
Smallholder	West of Rift	10,036,224	9,745,418	290,806	2.98%	88,639,292	63,384,259	25,255,033	39.84%
	East of Rift	8,315,265	6,390,195	1,925,070	30.13%	111,813,974	75,779,858	36,034,116	47.55%
	Total	18,351,489	16,135,613	2,215,876	13.73%	200,453,266	139,164,117	61,289,149	44.04%
Plantation & Smallholder									
	West of Rift	27,078,066	23,900,177	3,177,889	13.30%	213,916,327	160,223,198	53,693,129	33.51%
	East of Rift	9,476,158	7,558,315	1,917,843	25.37%	123,315,266	83,843,487	39,471,779	47.08%
	Total	36,554,224	31,458,492	5,095,732	16.20%	337,231,593	244,066,685	93,164,908	38.17%

TEA SALES

AUCTION

During the month of July 2020, lower sales volume amounting to 34.2 Million kgs was sold through Mombasa Auction compared to 42.9 Million kgs of Kenyan tea during the month of June and 34.7 Million kgs during the month of May. However, the sales were higher compared to 32.05 Million kgs recorded in same period of last year. The average auction price for Kenyan tea during the month of July was slightly lower at USD 1.81 per Kg against USD 1.86 per Kg in June and 1.97 in May. Similarly, the average price for July this year was lower compared to that of the same month last year which stood at USD 2.20 per Kg. Depressed prices to-date are attributed to higher supply during the first quarter coupled with the effects of COVID-19 Pandemic on access to the global supply chain. Apart from supply chain disruptions, the Pandemic has also led to a global economic recession, which has impacted negatively on consumer purchasing power. This trend is expected to change in

the third quarter of the year following the gradual decline in production due to changes in weather pattern and anticipated increase in demand occasioned by easing of lockdown measures and movement restrictions by most countries.

EXPORTS

The total export volume for the month of July 2020 was 38.55 Million Kgs, 5% decrease against 40.59 Million Kgs recorded during the same period of last year. During the month, Kenya tea was shipped to fifty three (53) export destinations compared to forty six (46) destinations for the same period last year. Pakistan remained the leading export destination for Kenyan tea having imported 11.13 Million Kgs, accounting for 29% of the total export volume. Other key export destinations for Kenyan tea were Egypt (7.75 Million Kgs), UK (3.21 Million Kgs), Sudan (2.68 Million Kgs), Russia (2.11 Million Kgs), Jordan (1.69 Million Kgs), Yemen (1.42 Million Kgs), UAE (1.09 Million Kgs), Iran (0.893 Million Kgs), and Nigeria (0.736 Million Kgs). During the month, there was significant increase in exports to traditional markets such as Sudan, Russia, Jordan, Yemen, Nigeria and Iran. Seasonal and emerging markets that recorded increased export volumes include India, Poland, Switzerland, Ukraine, Malaysia, Uzbekistan, Bangladesh and Kyrgyzstan.

Notably, access to some markets is still a challenge due to the impact of COVID-19 Pandemic on commodity distribution and trading across the globe. Some of the key destinations that are still facing market access challenges include Afghanistan, which is gradually reopening some of its border points with Pakistan, after closing in March with a view to limiting the spread of the corona virus pandemic.

The total export volume for the period January-July 2020 was slightly lower by 1% at 289.1 Million Kgs compared to 292.6 Million Kgs recorded during the same period of last year.

LOCAL

Local tea sales for July stood at 3.89 Million Kgs against 2.85 Million Kgs during the same period of 2019 while cumulative tea sales for the first seven months of 2020 was 24.39 Million Kgs against 24.12 Million Kgs for the same period of last year. Higher sales during the month was attributed to increased demand due to the cold weather conditions and enhanced product distribution owing to easing of containment measures put in place by the Government to mitigate against the spread of COVID-19 Pandemic.

27th August 2020

Table 2: Kenya Tea Exports by Destination (July 2020 vis-à-vis July 2019)

DESTINATION	2020 - QUANTITY KGS	2019 - QUANTITY KGS	QUANTITY DIFF	%AGE VARIANCE
PAKISTAN	11,137,384	15,313,172	-4,175,788	-27%
EGYPT	7,756,422	6,318,869	1,437,553	23%
UK	3,210,099	4,300,310	-1,090,211	-25%
SUDAN	2,687,346	2,189,371	497,975	23%
RUSSIA	2,111,919	1,127,501	984,418	87%
JORDAN	1,699,008	260,000	1,439,008	553%
YEMEN	1,426,025	1,616,100	-190,075	-12%
UAE	1,092,724	1,288,442	-195,718	-15%
IRAN	893,010	347,617	545,393	157%
NIGERIA	736,784	85,000	651,784	767%
AFGHANISTAN	694,627	984,516	-289,889	-29%
INDIA	685,871	386,396	299,475	78%
SAUDI ARABIA	446,931	598,179	-151,248	-25%
POLAND	420,692	170,188	250,504	147%
KAZAKHSTAN	402,212	1,011,012	-608,800	-60%
SWITZERLAND	337,104	92,090	245,014	266%
UKRAINE	329,986	233,425	96,561	41%
CHINA	298,332	372,706	-74,374	-20%
INDONESIA	275,612	444,520	-168,908	-38%
MALAYSIA	232,802	169,059	63,743	38%
TURKEY	176,855	152,128	24,727	16%
JAPAN	146,615	322,400	-175,785	-55%
USA	143,220	139,251	3,969	3%
IRELAND	130,255	309,676	-179,421	-58%
UZBEKISTAN	127,480	67,514	59,966	89%
SOMALIA	125,868	305,012	-179,144	-59%
NETHERLANDS	124,472	351,524	-227,052	-65%
GERMANY	101,220	72,140	29,080	40%
BANGLADESH	96,000		96,000	
MAURITIUS	71,600	77,500	-5,900	-8%
QATAR	56,660	41,041	15,619	38%
SRI LANKA	51,600	41,600	10,000	24%
KYRGYZSTAN	49,362		49,362	
CHAD	42,526	206,699	-164,173	-79%
CANADA	39,800	16,328	23,473	144%
GHANA	34,840		34,840	
MYANMAR	32,560	25,873	6,687	26%
AUSTRALIA	27,352		27,352	
SOUTH SUDAN	22,500	200,357	-177,857	-89%
SINGAPORE	14,000	28,400	-14,400	-51%
SOUTH AFRICA	13,800	74,440	-60,640	-81%
GREECE	13,230		13,230	
OMAN	11,768	47,136	-35,368	-75%
CHILE	8,977	556,457	-547,480	-98%
TOGO	5,174		5,174	
BRAZIL	4,580	6,000	-1,420	-24%
HONG KONG	3,184		3,184	
BELGIUM		25,200	-25,200	-100%
EPZ		60,000	-60,000	-100%
ERITREA		130,000	-130,000	-100%
ITALY		4,600	-4,600	-100%
MACAU		10,000	-10,000	-100%
TAIWAN		18,000	-18,000	-100%
TOTAL	38,550,388	40,597,748	-2,047,360	-5%

Table 3: Kenya Tea Exports by Destination (Jan-July 2020 vis-à-vis Jan- July 2019)

DESTINATION	2020 - QUANTITY KGS	2019 - QUANTITY KGS	QUANTITY DIFF	%AGE VARIANCE
PAKISTAN	97,408,225	105,785,949	-8,377,724	-8%
EGYPT	56,047,072	57,055,983	-1,008,911	-2%
UK	29,862,540	26,594,380	3,268,160	12%
UAE	15,548,684	15,075,656	473,028	3%
RUSSIA	13,190,134	10,377,744	2,812,390	27%
SUDAN	12,807,156	12,830,184	-23,028	0%
YEMEN	8,503,633	8,536,610	-32,977	0%
KAZAKSTAN	6,446,255	4,783,265	1,662,990	35%
POLAND	4,815,008	2,916,145	1,898,863	65%
SAUDI ARABIA	4,316,415	3,791,904	524,511	14%
JORDAN	4,302,017	1,789,084	2,512,933	140%
AFGHANSTAN	3,606,385	6,908,778	-3,302,393	-48%
CHINA	2,433,862	1,555,718	878,144	56%
IRELAND	2,330,096	2,474,914	-144,819	-6%
TURKEY	2,252,526	1,501,468	751,058	50%
USA	2,190,687	1,269,463	921,224	73%
NIGERIA	2,140,381	2,763,927	-623,546	-23%
NETHERLANDS	2,050,875	2,124,776	-73,901	-3%
INDIA	1,775,380	1,940,688	-165,308	-9%
MALAYSIA	1,684,058	1,081,099	602,959	56%
INDONESIA	1,580,419	1,421,796	158,623	11%
IRAN	1,558,034	4,221,706	-2,663,672	-63%
UZBEKISTAN	1,403,911	392,464	1,011,447	258%
SWITZERLAND	1,208,565	3,437,804	-2,229,239	-65%
CHILE	1,180,961	1,125,716	55,245	5%
SOMALIA	996,021	1,942,481	-946,460	-49%
UKRAINE	996,016	936,312	59,704	6%
JAPAN	980,444	1,434,440	-453,996	-32%
QATAR	797,408	524,859	272,549	52%
SOUTH AFRICA	724,362	584,456	139,906	24%
SRI LANKA	460,992	448,383	12,609	3%
CHAD	402,375	751,058	-348,683	-46%
OMAN	401,920	452,255	-50,335	-11%
GERMANY	322,396	419,668	-97,272	-23%
CANADA	284,262	554,964	-270,702	-49%
GHANA	240,000	149,432	90,568	61%
AUSTRALIA	219,613	17,190	202,423	1178%
DJIBOUTI	209,872	183,375	26,497	14%
TAIWAN	205,200	77,790	127,410	164%
BANGLADESH	176,278	874,627	-698,349	-80%
MAURITIUS	153,746	179,500	-25,754	-14%
MYANMAR	117,581	112,143	5,438	5%
SINGAPORE	82,816	126,995	-44,179	-35%
VIETNAM	69,308	88,000	-18,692	-21%
AZERBAIJAN	59,844	27,903	31,941	114%
BELGIUM	58,799	82,800	-24,001	-29%
ERITREA	52,880	259,920	-207,040	-80%
MOROCCO	51,840	8,071	43,769	542%
PERU	48,000		48,000	
NEW ZEALAND	40,264	101,360	-61,096	-60%
FRANCE	38,400		38,400	
BURKINA FASO	36,288	20,696	15,592	75%
LEBANON	31,044		31,044	
IVORY COAST	27,342	5,174	22,168	428%
ZAMBIA	26,840		26,840	
HONG KONG	25,870	56,700	-30,830	-54%
ISLE OF MAN	25,025		25,025	
KYRGYZSTAN	22,500	23,809	-1,309	-5%
ITALY	21,160	32,200.00	-11,040	-34%
BRAZIL	20,564	21,000.00	-436	-2%
FINLAND	18,400		18,400	
MALI	13,230		13,230	
GABON	13,200		13,200	

LITHUANIA	10,348	8,986	1,362	15%
TOGO	10,348		10,348	
ISRAEL	10,348		10,348	
MEXICO	7,579		7,579	
SPAIN	4,896		4,896	
CZECH REP.	2,634	300	2,334	778%
SOUTH SUDAN	2,450	200,357	-197,907	-99%
GREECE	100		100	
ARGENTINA		12,000	-12,000	-100%
EPZ		74,034	-74,034	-100%
GIBRALTAR		20,696	-20,696	-100%
GUINEA		16,416	-16,416	-100%
MACAU		10,000	-10,000	-100%
MOZAMBIQUE		7,800	-7,800	-100%
PALAU		15,332	-15,332	-100%
TOTAL	289,164,081	292,620,703	-3,456,622	-1%