



TEA BOARD OF KENYA

Realizing the Tea Promise

KENYA TEA INDUSTRY PERFORMANCE HIGHLIGHTS FOR JULY 2021 **PRODUCTION**

Tea production for the month of July 2021 dropped by 1.82 Million Kgs from 36.55 Million Kgs recorded in July 2020 to 34.73 Million Kgs. Production for the month was also lower compared to 43.46 Million Kgs recorded in June and 45.32 Million Kgs in May this year and is the lowest monthly production for the seven month period of 2021. The drop in production for the month of July follows continued cool and cloudy weather condition that was characterized by light morning rains/drizzles in the tea growing regions especially during the second half of the month. These adverse weather conditions were more pronounced in the tea growing areas of the East of Rift. Though the tea growing areas in the West of the Rift recorded modest precipitation, the rainfall was depressed and poorly distributed.

Notably, in the East of Rift, tea growing areas in Kiambu County were more affected by unfavourable weather conditions, with these areas receiving an average rainfall of less than 3mm daily during the second half of the month. Muranga/Nyeri/Kirinyaga tea growing regions recorded an average rainfall of 5-7mm daily while Embu/Meru received an average rainfall of 4-5 mm daily. These areas also recorded lower minimum average temperatures of about 12-13°C daily. As a result of lower rainfall and cool weather conditions, production within the East of Rift was significantly lower by 3.15 Million Kgs from 9.47 Million Kgs recorded during the same month of 2020 to 6.32 Million Kgs.

Though the West of Rift experienced lower precipitation in the second half of the month, the region recorded moderate rainfall in the first half. During the first two weeks of the month, Kericho, Bomet and Nandi tea growing areas experienced rainfall amounts averaging 27-65 mm daily while Nyamira/Kisii recorded slightly lower rainfall of between 12-16 mm daily. Consequently, output within the West of Rift was slightly higher by 1.33 Million Kgs from 27.07 Million Kgs to 28.40 Million Kgs.



Notably, due to wider coverage of the Smallholder sub-sector in tea growing areas that experienced lower rainfall conditions in the East of Rift and parts of the West of Rift (Kisii and Nyamira), the sub-sector's production significantly dropped by 3.35 Million Kgs from 18.35 Million Kgs recorded during the corresponding month of 2020 to 15 Million Kgs. However, the Plantation sub-sector recorded significant improvement in production by 1.52 Million Kgs from 18.20 Million Kgs to 19.72 Million Kgs as it's more widespread in areas that recorded moderate rainfall such as Kericho, Bomet and Nandi.

For the seven-month period, cumulative production was significantly lower by 28.43 Million Kgs to stand at 308.80 Million Kgs against 337.23 Million Kgs recorded during the corresponding period of 2020. Owing to unfavourable weather conditions experienced this year to-date coupled with the effect of cold temperatures in the second half of the year and expected warm temperatures until October, lower production trend to-date is expected to continue throughout the rest of the year.

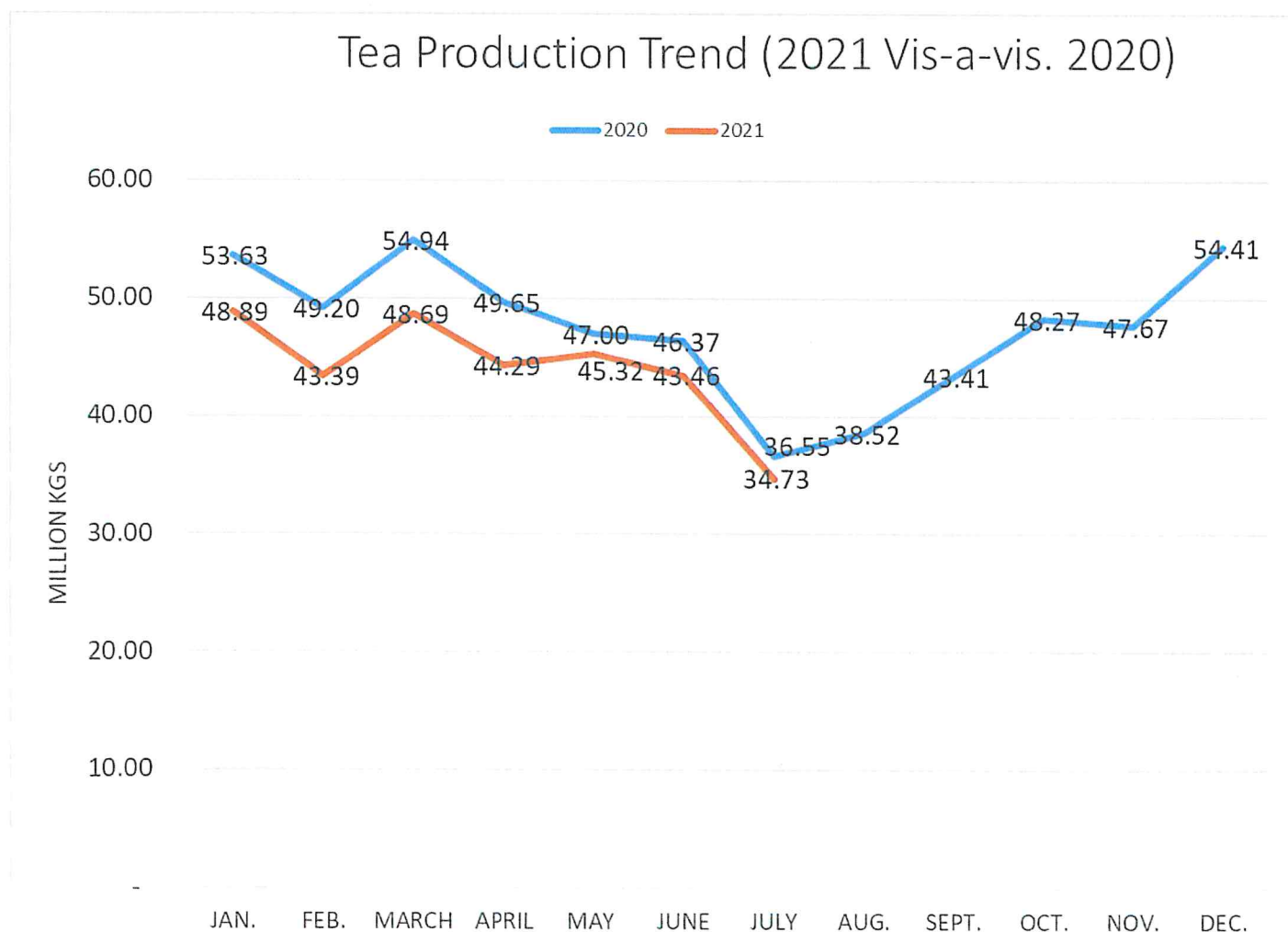


Table 1: Production by Sub-Sector and Region (2021 vis-à-vis 2020)

Sub-Sector	Region	July-21	July -20	Variance	Var. (%)	Jan - July 2021	Jan - July 2020	Variance +/-	Var. (%)
Plantation	West of Rift	18,896,704	17,041,842	1,854,862	10.88%	134,658,061	125,277,035	9,381,027	7.49%
	East of Rift	831,404	1,160,893	-329,489	-28.38%	10,622,391	11,501,292	-878,901	-7.64%
	Total	19,728,108	18,202,735	1,525,373	8.38%	145,280,453	136,778,327	8,502,126	6.22%
Smallholder	West of Rift	9,508,071	10,036,224	-528,153	-5.26%	70,691,852	88,639,292	-17,947,440	-20.25%
	East of Rift	5,496,190	8,315,265	-2,819,075	-33.90%	92,837,595	111,813,974	-18,976,379	-16.97%
	Total	15,004,261	18,351,489	-3,347,228	-18.24%	163,529,447	200,453,266	-36,923,819	-18.42%
Plantation & Smallholder									
	West of Rift	28,404,775	27,078,066	1,326,709	4.90%	205,349,914	213,916,327	-8,566,413	-4.00%
	East of Rift	6,327,593	9,476,158	-3,148,565	-33.23%	103,459,986	123,315,266	-19,855,280	-16.10%
	Total	34,732,369	36,554,224	-1,821,855	-4.98%	308,809,899	337,231,592	-28,421,693	-8.43%

TEA SALES

AUCTION

During the month of July, auction sales volume for Kenyan tea stood at 24.90 Million Kgs, which was lower compared to 39.39 Million kgs recorded in the corresponding month of last year. The average monthly auction price for Kenyan tea dipped to a seven-month low of 1.75 USD per Kg compared to 1.82 in June and 1.91 USD per Kg recorded in May and in comparison to USD 1.82 per Kg recorded in July last. During the seven-month period of this year, April, May, June and July recorded lower average prices at less than 2 USD per Kg. Similarly, the average auction price for the period January - July 2021 was lower at USD 1.93 per Kg compared to USD 2.02 for the same period of last year and 2.19 recorded during the same period of 2019. This trend prompted smallholder tea sub-sector producers to express their concerns that the prices offered were either at par or less than the cost production and necessitated them to work out a minimum reserve price taking into account the cost of production, the grade of the tea and a reasonable return to the tea farmer.

During the month, "Best" category of CTC leaf grades fetched between USD 1.83 to 5.50 per Kg for the BP1s and 2.06 to 2.84 for the PF1s while tea prices for a similar category of the dust grades ranged between USD 1.80 to 2.57 for PDust and USD 1.70 to 2.51 for Dust1 with well sorted grades and those with brighter liquors attracting more competitive bids and considerably higher prices. Notably, 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 teas on offer at the auction that were withdrawn.

The Orthodox tea grades on offer at the auction remained without bids and were unsold. During the month of July, there was generally fair participation from buyers exporting to certain markets. However, for the lower end markets, buyers were either active, operated at lower levels or were outbid.

EXPORTS

The total export volume for the month of July 2021 was higher by 5% from 38.55 Million Kgs recorded in the same period of last year to 40.59 Million Kgs.

During the month, Kenya tea was shipped to forty nine (49) export destinations compared to forty seven (47) for the same period of last year. Pakistan maintained the leading export destination for Kenyan tea having imported 16.41 Million Kgs, accounting for 40% of the total export volume. Other key export destinations for Kenyan tea were Egypt (4.51 Million Kgs), UK (3.37 Million Kgs), Russia (3.14 Million Kgs), Sudan (2.20 Million Kgs), UAE (1.66 Million Kgs), Nigeria (1.16 Million Kgs), Iran (0.96 Million Kgs), Poland (0.809 Million Kgs) and Kazakhstan (0.70 Million Kgs). The top ten export destinations, majority of which are traditional markets for Kenyan tea accounted for 84% of Kenya tea export volume.

During the month, there was significant increase in exports to traditional markets especially Pakistan, Russia, U.A.E and Nigeria and a few shipments to seasonal markets such as Taiwan, Djibouti, Israel, Spain, Mexico, Azerbaijan, New Zealand, Tanzania, Guinea, Italy and Morocco.

The total export volume for the seven-month period of 2021 was 17% higher at 339.26 Million Kgs, compared to 289.16 Million Kgs recorded during the same period of last year.

LOCAL TEA SALES

Local tea sales for July 2021 was 3.18 Million Kgs against 3.89 Million Kgs recorded during the corresponding month of 2020 while cumulative tea sales for the seven month period of 2021 stood at 21.90 Million Kgs compared to 24.39 Million Kgs for the same period of 2020.

28TH SEPTEMBER 2021

Table 2: Kenya Tea Exports by Destination (July 2021 vis-à-vis July 2020)

DESTINATION	2021- QUANTITY KGS	2020 - QUANTITY KGS	QUANTITY VARIANCE KGS	%AGE VARIANCE
PAKISTAN	16,413,587	11,137,384	5,276,203	47%
EGYPT	4,519,576	7,756,422	-3,236,846	-42%
UK	3,378,217	3,210,099	168,118	5%
RUSSIA	3,142,478	2,111,919	1,030,559	49%
SUDAN	2,205,345	2,687,346	-482,001	-18%
UAE	1,664,194	1,092,724	571,470	52%
NIGERIA	1,162,014	736,784	425,230	58%
IRAN	964,217	893,010	71,207	8%
POLAND	809,160	420,692	388,468	92%
KAZAKHSTAN	700,406	402,212	298,194	74%
SWITZERLAND	609,228	337,104	272,124	81%
YEMEN	605,728	1,426,025	-820,297	-58%
CHINA	547,535	298,332	249,203	84%
JAPAN	364,432	146,615	217,817	149%
AFGHANSTAN	332,357	694,627	-362,270	-52%
USA	288,687	143,220	145,467	102%
IRELAND	286,592	130,255	156,337	120%
INDIA	270,045	685,871	-415,826	-61%
NETHERLANDS	268,737	124,472	144,265	116%
SAUDI ARABIA	258,252	446,931	-188,679	-42%
UKRAINE	211,568	329,986	-118,418	-36%
OMAN	203,200	11,768	191,432	1627%
GERMANY	132,760	101,220	31,540	31%
SRI LANKA	132,283	51,600	80,683	156%
SOUTH AFRICA	130,092	13,800	116,292	843%
TAIWAN	118,700		118,700	
QATAR	94,905	56,660	38,245	67%
MALAYSIA	93,348	232,802	-139,454	-60%
MAURITIUS	91,600	71,600	20,000	28%
TURKEY	86,900	176,855	-89,955	-51%
INDONESIA	79,920	275,612	-195,692	-71%
UZBEKISTAN	49,700	127,480	-77,780	-61%
CHAD	47,863	42,526	5,337	13%
CANADA	43,400	39,800	3,600	9%
SOMALIA	38,706	125,868	-87,162	-69%
GHANA	38,400	34,840	3,560	10%
DJIBOUTI	31,000		31,000	
KYRGYZSTAN	25,500	49,362	-23,862	-48%
ISRAEL	24,000		24,000	
SPAIN	22,880		22,880	
HONK KONG	22,680	3,184	19,496	612%
MEXICO	18,000		18,000	
AZERBAIJAN	15,264		15,264	
SINGAPORE	14,000	14,000	0	0%
NEW ZEALAND	12,800		12,800	
TANZANIA	10,250		10,250	
GUINEA	5,472		5,472	
ITALY	4,600		4,600	
MOROCCO	1,000		1,000	
AUSTRALIA		27,352	-27,352	-100%

BANGLADESH		96,000	-96,000	-100%
BRAZIL		4,580	-4,580	-100%
CHILE		8,977	-8,977	-100%
GREECE		13,230	-13,230	-100%
JORDAN		1,699,008	-1,699,008	-100%
MYANMAR		32,560	-32,560	-100%
SOUTH SUDAN		22,500	-22,500	-100%
TOGO		5,174	-5,174	-100%
TOTAL	40,591,578	38,550,388	2,041,191	5%

Table 3: Kenya Tea Exports by Destination (Jan- July 2021 vis-à-vis Jan- July 2020)

DESTINATION	2021- QUANTITY KGS	2020 - QUANTITY KGS	QUANTITY VARIANCE KGS	%AGE VARIANCE
PAKISTAN	127,942,258	97,408,225	30,534,033	31%
EGYPT	58,326,533	56,047,072	2,279,461	4%
UK	30,330,801	29,862,540	468,262	2%
UAE	18,305,864	15,548,684	2,757,180	18%
RUSSIA	17,280,298	13,190,134	4,090,164	31%
SUDAN	15,072,044	12,807,156	2,264,888	18%
YEMEN	10,541,187	8,503,633	2,037,554	24%
KAZAKHSTAN	7,448,748	6,446,255	1,002,493	16%
POLAND	5,362,261	4,815,008	547,253	11%
NIGERIA	4,487,040	2,140,381	2,346,659	110%
IRAN	4,125,324	1,558,034	2,567,290	165%
CHINA	3,473,731	2,433,862	1,039,869	43%
IRELAND	3,380,395	2,330,096	1,050,300	45%
SWITZERLAND	3,096,530	1,208,565	1,887,965	156%
INDIA	3,067,262	1,775,380	1,291,882	73%
NETHERLANDS	2,632,824	2,050,875	581,949	28%
SAUDI ARABIA	2,138,268	4,316,415	-2,178,147	-50%
USA	2,098,612	2,190,687	-92,075	-4%
JAPAN	1,990,243	980,444	1,009,799	103%
MALAYSIA	1,564,695	1,684,058	-119,363	-7%
UKRAINE	1,529,634	996,016	533,618	54%
SRI LANKA	1,432,002	460,992	971,010	211%
INDONESIA	1,395,143	1,580,419	-185,276	-12%
AFGHANSTAN	1,177,801	3,606,385	-2,428,584	-67%
UZBEKISTAN	1,108,809	1,403,911	-295,102	-21%
TURKEY	1,028,670	2,252,526	-1,223,856	-54%
SOUTH AFRICA	876,388	724,362	152,026	21%
SOMALIA	872,156	996,021	-123,865	-12%
JORDAN	836,250	4,302,017	-3,465,767	-81%
QATAR	807,610	797,408	10,202	1%
OMAN	726,907	401,920	324,987	81%
GERMANY	654,066	322,396	331,670	103%
CHAD	611,202	402,375	208,827	52%
GHANA	452,992	240,000	212,992	89%
CANADA	433,880	284,262	149,618	53%
BANGLADESH	406,800	176,278	230,522	131%

KYTRGYZSTAN	302,401	22,500	279,901	1244%
TAIWAN	264,980	205,200	59,780	29%
MAURITIUS	197,400	153,746	43,654	28%
DJIBOUTI	170,278	209,872	-39,594	-19%
MYANMAR	133,067	117,581	15,486	13%
ERITREA	130,000	52,880	77,120	146%
HONG KONG	126,992	25,870	101,122	391%
IRAQ	111,994		111,994	
SINGAPORE	96,400	82,816	13,584	16%
NEW ZEALAND	76,800	69,308	7,492	11%
VIETNAM	71,174	48,000	23,174	48%
PERU	70,560	40,264	30,296	75%
AZERBAIJAN	59,496		59,496	
TURKMENISTAN	51,685	51,840	-155	0%
MOROCCO	50,000	59,844	-9,844	-16%
MEXICO	45,000	20,564	24,436	119%
BRAZIL	36,321	18,400	17,921	97%
FINLAND	33,608	7,579	26,029	343%
ISLE OF MAN	24,000	25,025	-1,025	-4%
ISRAEL	24,000	10,348	13,652	132%
ISRAEL	24,000		24,000	
ITALY	23,860		23,860	
TAJIKISTAN	23,829	4,896	18,933	387%
SPAIN	22,880	21,160	1,720	8%
TANZANIA	20,220		20,220	
BAHRAIN	12,412		12,412	
MALI	10,348	13,230	-2,882	-22%
CONGO	8,107		8,107	
CAMEROON	8,083		8,083	
LITHUANIA	7,224	10,348	-3,124	-30%
GUINEA	5,472		5,472	
SENEGAL	5,174		5,174	
UGANDA	3,518		3,518	
SOUTH KOREA	1,600		1,600	
CZECH REP	225	2,634	-2,409	-91%
AUSTRALIA		219,613	-219,613	-100%
BELGIUM		58,799	-58,799	-100%
BURKINA FASO		36,288	-36,288	-100%
CHILE		1,180,961	-1,180,961	-100%
FRANCE		38,400	-38,400	-100%
GABON		13,200	-13,200	-100%
GREECE		100	-100	-100%
IVORY COAST		27,342	-27,342	-100%
LEBANON		31,044	-31,044	-100%
SOUTH SUDAN		2,450	-2,450	-100%
TOGO		10,348	-10,348	-100%
ZAMBIA		26,840	-26,840	-100%
TOTAL	339,267,336	289,164,081	50,103,255	17%

