



TEA BOARD OF KENYA

Realizing the Tea Promise

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

Tea production for the month of August 2021 dropped significantly by 4.89 Million Kgs from 38.52 Million Kgs recorded in August 2020 to 33.63 Million Kgs. Production during the month was also lower compared to 34.73 Million Kgs recorded in July and 43.46 Million Kgs recorded in June this year and is the lowest monthly production for the eight month period of 2021. The drop in production for the month of August follows continued sunny and dry weather conditions condition that was characterized by occasional afternoon showers experienced in the tea growing regions. These adverse weather conditions were more pronounced in the tea growing areas of the West of Rift. However, despite sunny weather, tea growing areas in the East of the Rift recorded modest precipitation that was well distributed throughout the month.

Notably, in the West of Rift, tea growing areas in Kericho, Kisii, Nyamira and Nandi Counties were the most affected by unfavourable weather conditions, with Nyamira and Kisii recording dry weather conditions in the second half of the month while Kericho and Nandi received lower rainfall of between 27-45 mm daily. As a result of lower rainfall and dry weather conditions, production within the West of Rift was significantly lower by 3.35 Million Kgs from 29.67 Million Kgs recorded during the same month of 2020 to 26.32 Million Kgs.

Within the East of Rift, most tea growing regions recorded lower rainfall averaging 3-8mm daily throughout the month with Embu and Meru Counties recording an average rainfall of less than 3mm daily. Consequently, output within the East of Rift was also lower by 1.54 Million Kgs from 8.84 Million Kgs to 7.30 Million Kgs.

Notably, due to wider coverage of the Smallholder sub-sector in tea growing areas affected by adverse weather conditions in both the West and the East of Rift (Kericho,



Kisii, Nyamira, Embu, and Meru Counties), the sub-sector recorded lower production by 3.34 Million Kgs from 18.18 Million Kgs to 14.84 Million Kgs. Similarly, lower rainfall and dry weather conditions in Kericho, Nandi and Nyamira Counties affected the production within the Plantation sub-sector which dropped by 1.55 Million Kgs from 20.33 Million Kgs recorded during the corresponding month of 2020 to 18.78 Million Kgs.

For the eight-month period, cumulative production was significantly lower by 33.31 Million Kgs to stand at 375.75 Million Kgs against 342.44 Million Kgs recorded during the corresponding period of 2020. Lower production is attributable to unfavourable weather conditions experienced this year to-date. Notably, the rainfall expected during the "Short Rainfall" season from October to December will also be depressed and poorly distributed according to weather prediction by the Kenya Meteorological Department. Consequently, this year's output is expected to be significantly lower compared to that of last year.

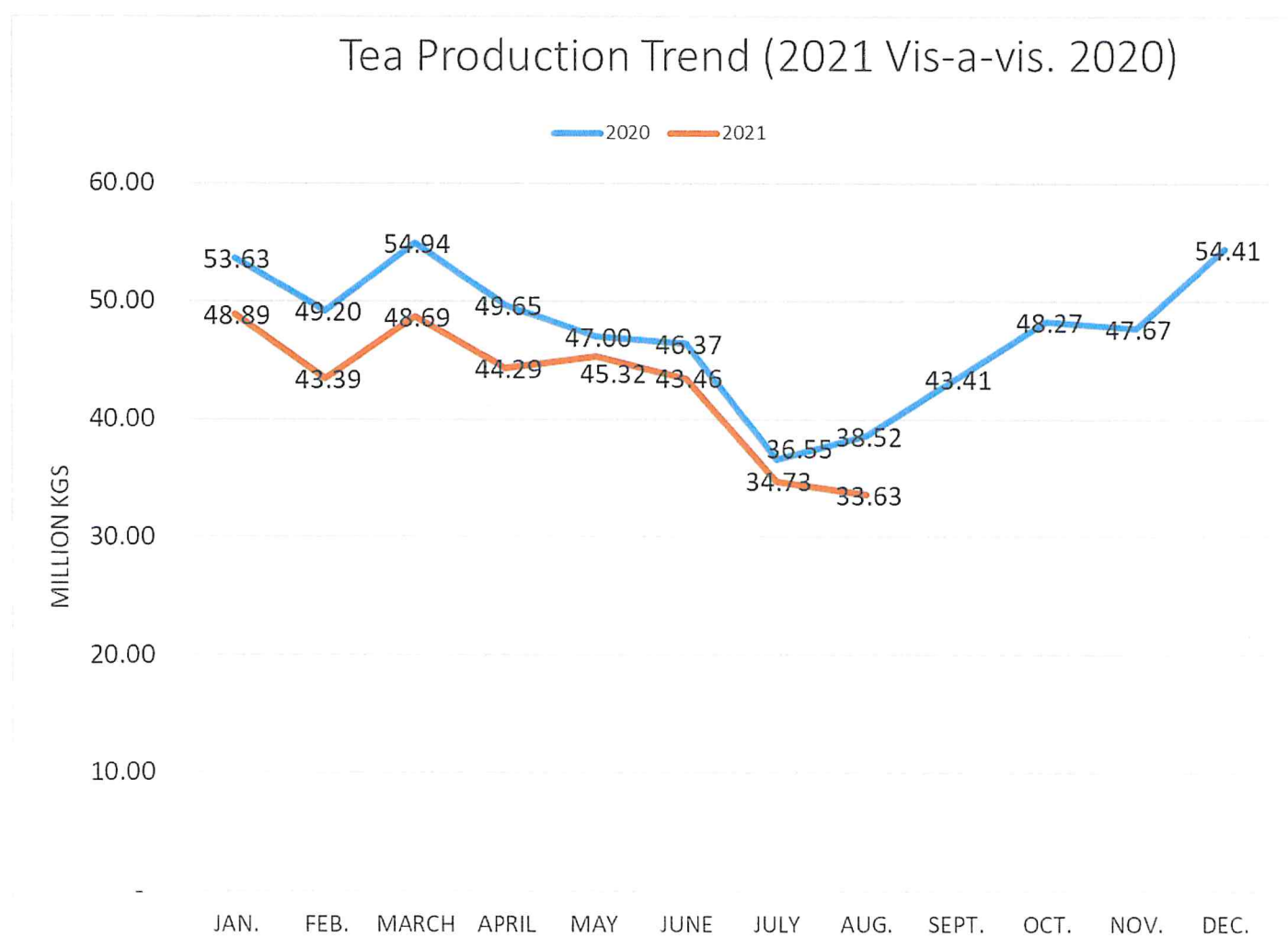


Table 1: Production by Sub-Sector and Region (2021 vis-à-vis 2020)

| Sub-Sector | Region | Aug.-21 | Aug -20 | Variance | Var. (%) | Jan. – Aug. 2021 | Jan. – Aug. 2020 | Variance +/- | Var. (%) |
|--------------------------|--------------|------------|------------|-------------|----------|------------------|------------------|--------------|----------|
| Plantation | West of Rift | 17,952,628 | 19,288,061 | - 1,335,433 | -6.92% | 152,610,689 | 144,565,096 | 8,045,593 | 5.57% |
| | East of Rift | 832,446 | 1,046,908 | - 214,462 | -20.49% | 11,454,837 | 12,548,200 | - 1,093,363 | -8.71% |
| | Total | 18,785,074 | 20,334,969 | - 1,549,895 | -7.62% | 164,065,527 | 157,113,296 | 6,952,231 | 4.42% |
| | | | | | | | | | |
| Smallholder | West of Rift | 8,373,708 | 10,388,728 | - 2,015,020 | -19.40% | 79,065,560 | 99,028,020 | - 19,962,460 | -20.16% |
| | East of Rift | 6,476,257 | 7,801,084 | - 1,324,827 | -16.98% | 99,313,852 | 119,615,058 | - 20,301,206 | -16.97% |
| | Total | 14,849,965 | 18,189,812 | - 3,339,847 | -18.36% | 79,065,560 | 99,028,020 | - 19,962,460 | -20.16% |
| | | | | | | | | | |
| Plantation & Smallholder | West of Rift | 26,326,336 | 29,676,789 | - 3,350,453 | -11.29% | 231,676,250 | 243,593,116 | - 11,916,866 | -4.89% |
| | East of Rift | 7,308,703 | 8,847,992 | - 1,539,289 | -17.40% | 110,768,689 | 132,163,258 | - 21,394,569 | -16.19% |
| | Total | 33,635,039 | 38,524,781 | - 4,889,742 | -12.69% | 342,444,939 | 375,756,374 | - 33,311,435 | -8.87% |

TEA SALES

AUCTION

During the month of August, auction sales volume for Kenyan tea stood at 21.6 Million Kgs, which was lower compared to 37.5 Million kgs recorded in the corresponding month of last year. The average monthly auction price for Kenyan tea rebounded back to 2.10 USD per Kg after dipping to a seven-month low of 1.75 USD per Kg in July and less than 2 USD in the months of May and June, respectively. The auction price recorded in August was also higher compared to an average of 2.09 USD recorded in August 2020. The reversed trend followed the setting up of minimum reserve price of 2.43 USD per Kg in July for the smallholder sub-sector taking into account the cost of production, the grade of the tea and a reasonable return to the tea farmer. During the month of August, tea offered for sale by the smallholder tea factories was bought at an average price of USD 2.08 to 2.51 USD per Kg with the BP1 grade fetching an average of 2.60 USD per Kg while the most predominant grade (PF1) fetched an average of 2.50 USD per Kg.

For all the tea offered for sale at the auction during the month, "Best" category of CTC leaf grades fetched higher prices at between USD 2.54 to 6.80 per Kg for the BP1s and 2.48 to 3.46 for the PF1s while tea prices for a similar category of the dust grades ranged between USD 2.47 to 3.20 for PDust and USD 2.32 to 3.12 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 teas on offer at the auction that were withdrawn. However, there was no Orthodox tea grades on offer at the auction during the month.

However, for the period January - August 2021, the average auction price for Kenyan CTC tea was lower at USD 1.95 per Kg compared to USD 2.02 for the same period of last year and 2.16 recorded during the same period of 2019.

EXPORTS

The total export volume for the month of August 2021 was significantly higher by 46% from 34.03 Million Kgs recorded in the same period of last year to 49.78 Million Kgs. It was also higher compared to 40.5 Million Kgs exported during the month of July 2021. The increase in export volume was attributable to enhanced demand in most markets.

During the month, Kenya tea was shipped to forty eight (48) export destinations compared to forty nine (49) for the same period of last year. Pakistan maintained the leading export destination for Kenyan tea having imported 18.55 Million Kgs, accounting for 37% of the total export volume. Other key export destinations for Kenyan tea were Egypt (9.06 Million Kgs), Sudan (4.26 Million Kgs), UK (3.36 Million Kgs), Russia (2.89 Million Kgs), UAE (2.26 Million Kgs), Kazakhstan (1.44 Million Kgs), Poland (0.85 Million Kgs), Yemen (0.821 Million Kgs) and China (0.650 Million Kgs). The top ten export destinations, majority of which are traditional markets for Kenyan tea accounted for 89% of Kenya tea export volume.

During the month, there was significant increase in exports to traditional markets especially Egypt, Pakistan, Sudan, U.A.E, Kazakhstan, Russia and Poland and emerging markets such as Iran, Japan and Switzerland. There were also a few shipments to seasonal markets such as Bangladesh, Qatar, Iraq, Peru, Hong Kong, Kyrgyzstan, Azerbaijan, Morocco, Mexico and Singapore.

The total export volume for the eight-month period of 2021 was 20% higher at 389.04 Million Kgs, compared to 323.19 Million Kgs recorded during the same period of last year.

LOCAL TEA SALES

Local tea sales for August 2021 was 2.87 Million Kgs against 2.96 Million Kgs recorded during the corresponding month of 2020 while cumulative tea sales for the eight month period of 2021 stood at 24.77 Million Kgs compared to 27.35 Million Kgs for the same period of 2020.

19TH OCTOBER 2021

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

| DESTINATION | 2021- QUANTITY KGS | 2020 - QUANTITY KGS | QUANTITY VARIANCE KGS | %AGE VARIANCE |
|--------------|--------------------|---------------------|-----------------------|---------------|
| PAKISTAN | 18,552,832 | 13,712,140 | 4,840,692 | 35% |
| EGYPT | 9,060,723 | 1,476,765 | 7,583,958 | 514% |
| SUDAN | 4,260,213 | 1,341,019 | 2,919,194 | 218% |
| UK | 3,365,340 | 3,661,862 | - 296,522 | -8% |
| RUSSIA | 2,896,504 | 2,337,781 | 558,723 | 24% |
| UAE | 2,266,520 | 971,096 | 1,295,424 | 133% |
| KAZAKHSTAN | 1,445,065 | 486,001 | 959,064 | 197% |
| POLAND | 853,078 | 508,428 | 344,650 | 68% |
| YEMEN | 821,236 | 1,403,316 | - 582,080 | -41% |
| CHINA | 650,558 | 590,507 | 60,051 | 10% |
| IRAN | 572,031 | 66,708 | 505,323 | 758% |
| JAPAN | 537,548 | 257,288 | 280,260 | 109% |
| SWITZERLAND | 472,330 | 222,052 | 250,278 | 113% |
| JORDAN | 361,250 | 1,959,880 | - 1,598,630 | -82% |
| INDIA | 321,483 | 1,035,425 | - 713,942 | -69% |
| TURKEY | 268,779 | 143,145 | 125,634 | 88% |
| NIGERIA | 266,397 | 913,244 | - 646,847 | -71% |
| USA | 249,739 | 133,756 | 115,983 | 87% |
| INDONESIA | 245,130 | 197,932 | 47,198 | 24% |
| UKRAINE | 241,875 | 47,440 | 194,435 | 410% |
| IRELAND | 207,888 | 351,412 | - 143,524 | -41% |
| BANGLADESH | 192,000 | | 192,000 | |
| AFGHANSTAN | 180,682 | 244,792 | - 64,110 | -26% |
| SAUDI ARABIA | 167,740 | 400,544 | - 232,804 | -58% |
| QATAR | 155,110 | | 155,110 | |
| SRI LANKA | 144,112 | 128,117 | 15,995 | 12% |
| CANADA | 120,120 | 110,300 | 9,820 | 9% |
| SOUTH AFRICA | 116,388 | 62,600 | 53,788 | 86% |
| CHAD | 105,949 | 18,196 | 87,753 | 482% |
| MALAYSIA | 92,959 | 54,348 | 38,611 | 71% |
| NETHERLANDS | 89,461 | 64,712 | 24,749 | 38% |
| OMAN | 76,891 | 23,228 | 53,663 | 231% |
| GERMANY | 70,380 | 65,353 | 5,027 | 8% |
| IRAQ | 49,148 | | 49,148 | |
| PERU | 46,520 | | 46,520 | |
| UZBEKISTAN | 44,725 | 228,700 | - 183,975 | -80% |
| SOMALIA | 43,340 | 312,209 | - 268,869 | -86% |
| MAURITIUS | 40,000 | 20,000 | 20,000 | 100% |
| HONK KONG | 32,040 | | 32,040 | |
| KYRGYZSTAN | 24,144 | | 24,144 | |
| AZERBAIJAN | 21,774 | | 21,774 | |
| MOROCCO | 17,400 | | 17,400 | |
| TAIWAN | 12,600 | 53,760 | - 41,160 | -77% |
| MEXICO | 9,000 | | 9,000 | |
| SINGAPORE | 8,100 | | 8,100 | |

| | | | | |
|----------------|---------------|---------------|------------|-------|
| CHILE | 2,134 | | 2,134 | |
| SWAZILAND | 1,037 | | 1,037 | |
| CZECH REPUBLIC | 100 | 100 | | 0% |
| AUSTRALIA | | 123,300 | - 123,300 | -100% |
| CAMEROON | | 5,174 | - 5,174 | -100% |
| DJIBOUTI | | 32,000 | - 32,000 | -100% |
| ERITREA | | 78,160 | - 78,160 | -100% |
| GHANA | | 85,320 | - 85,320 | -100% |
| GUINEA | | 5,472 | - 5,472 | -100% |
| ISRAEL | | 34,996 | - 34,996 | -100% |
| IVORY COAST | | 15,522 | - 15,522 | -100% |
| KUWAIT | | 3,900 | - 3,900 | -100% |
| MALTA | | 5,174 | - 5,174 | -100% |
| MYANMAR | | 26,000 | - 26,000 | -100% |
| NEW ZEALAND | | 12,800 | - 12,800 | -100% |
| | | | | |
| TOTAL | 49,780,373.04 | 34,031,973.35 | 15,748,400 | 46% |

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

| DESTINATION | 2021- QUANTITY KGS | 2020 - QUANTITY KGS | QUANTITY VARIANCE KGS | %AGE VARIANCE |
|--------------|--------------------|---------------------|-----------------------|---------------|
| PAKISTAN | 146,495,089.43 | 111,120,364.50 | 35,374,725 | 32% |
| EGYPT | 67,387,256.60 | 57,523,837.00 | 9,863,420 | 17% |
| UK | 33,696,141.31 | 33,524,401.30 | 171,740 | 1% |
| UAE | 20,572,383.91 | 16,519,780.03 | 4,052,604 | 25% |
| RUSSIA | 20,176,802.00 | 15,527,914.87 | 4,648,887 | 30% |
| SUDAN | 19,332,256.77 | 14,148,175.01 | 5,184,082 | 37% |
| YEMEN | 11,362,423.00 | 9,906,949.00 | 1,455,474 | 15% |
| KAZAKHSTAN | 8,893,813.15 | 6,932,256.00 | 1,961,557 | 28% |
| POLAND | 6,215,339.00 | 5,323,436.00 | 891,903 | 17% |
| NIGERIA | 4,753,437.00 | 3,053,625.00 | 1,699,812 | 56% |
| IRAN | 4,697,355.00 | 1,624,742.00 | 3,072,613 | 189% |
| CHINA | 4,124,289.00 | 3,024,369.10 | 1,099,920 | 36% |
| IRELAND | 3,588,283.00 | 2,681,507.50 | 906,776 | 34% |
| SWITZERLAND | 3,568,860.00 | 1,430,617.00 | 2,138,243 | 149% |
| INDIA | 3,388,745.00 | 2,810,805.30 | 577,940 | 21% |
| NETHERLANDS | 2,722,285.42 | 2,115,587.00 | 606,698 | 29% |
| JAPAN | 2,527,791.00 | 1,237,731.80 | 1,290,059 | 104% |
| USA | 2,348,351.00 | 2,324,442.75 | 23,908 | 1% |
| SAUDI ARABIA | 2,306,008.00 | 4,716,958.87 | -2,410,951 | -51% |
| UKRAINE | 1,771,509.00 | 1,043,456.00 | 728,053 | 70% |
| MALAYSIA | 1,657,654.00 | 1,738,406.00 | -80,752 | -5% |
| INDONESIA | 1,640,273.00 | 1,778,351.00 | -138,078 | -8% |
| SRI LANKA | 1,576,114.00 | 589,109.00 | 987,005 | 168% |
| AFGHANSTAN | 1,358,483.00 | 3,851,177.00 | -2,492,694 | -65% |
| TURKEY | 1,297,449.00 | 2,395,671.00 | -1,098,222 | -46% |
| JORDAN | 1,197,500.00 | 6,261,897.00 | -5,064,397 | -81% |
| UZBEKISTAN | 1,153,534.00 | 1,632,611.00 | -479,077 | -29% |
| SOUTH AFRICA | 992,776.00 | 786,962.00 | 205,814 | 26% |
| QATAR | 962,720.00 | 797,408.00 | 165,312 | 21% |
| SOMALIA | 915,496.00 | 1,308,230.00 | -392,734 | -30% |

| | | | | |
|--------------|------------|--------------|------------|-------|
| OMAN | 803,798.00 | 425,148.00 | 378,650 | 89% |
| GERMANY | 724,446.00 | 387,749.00 | 336,697 | 87% |
| CHAD | 717,151.00 | 420,571.00 | 296,580 | 71% |
| BANGLADESH | 598,800.00 | 176,278.00 | 422,522 | 240% |
| CANADA | 554,000.00 | 394,562.00 | 159,438 | 40% |
| GHANA | 452,992.00 | 325,320.00 | 127,672 | 39% |
| KYTRGYZSTAN | 326,545.00 | 22,500.00 | 304,045 | 1351% |
| TAIWAN | 277,580.00 | 258,960.00 | 18,620 | 7% |
| MAURITIUS | 237,400.00 | 173,746.00 | 63,654 | 37% |
| DJIBOUTI | 170,278.00 | 241,872.00 | -71,594 | -30% |
| IRAQ | 161,142.00 | | 161,142 | |
| HONG KONG | 159,032.00 | 25,870.00 | 133,162 | 515% |
| MYANMAR | 133,067.00 | 143,581.00 | -10,514 | -7% |
| ERITREA | 130,000.00 | 131,040.00 | -1,040 | -1% |
| PERU | 117,080.00 | 48,000.00 | 69,080 | 144% |
| SINGAPORE | 104,500.00 | 82,816.00 | 21,684 | 26% |
| AZERBAIJAN | 81,270.00 | 59,844.00 | 21,426 | 36% |
| NEW ZEALAND | 76,800.00 | 53,064.00 | 23,736 | 45% |
| VIETNAM | 71,174.00 | 69,308.00 | 1,866 | 3% |
| MOROCCO | 67,400.00 | 51,840.00 | 15,560 | 30% |
| MEXICO | 54,000.00 | 7,579.00 | 46,421 | 612% |
| TURKMENISTAN | 51,685.00 | | 51,685 | |
| BRAZIL | 36,320.80 | 20,564.00 | 15,757 | 77% |
| FINLAND | 33,608.00 | 18,400.00 | 15,208 | 83% |
| ISLE OF MAN | 24,000.00 | 25,025.00 | -1,025 | -4% |
| ISRAEL | 48,000.00 | 45,344.00 | 2,656 | 6% |
| ITALY | 23,860.00 | 21,160.40 | 2,700 | 13% |
| TAJIKISTAN | 23,829.00 | | 23,829 | |
| SPAIN | 22,880.00 | 4,896.00 | 17,984 | 367% |
| TANZANIA | 20,220.00 | | 20,220 | |
| BAHRAIN | 12,412.00 | | 12,412 | |
| MALI | 10,348.00 | 13,230.00 | -2,882 | -22% |
| CONGO | 8,106.60 | | 8,107 | |
| CAMEROON | 8,083.00 | 5,174.00 | 2,909 | 56% |
| LITHUANIA | 7,224.00 | 10,348.00 | -3,124 | -30% |
| GUINEA | 5,472.00 | 5,472.00 | | 0% |
| SENEGAL | 5,174.00 | | 5,174 | |
| UGANDA | 3,518.00 | | 3,518 | |
| CHILE | 2,134.08 | 1,180,961.13 | -1,178,827 | -100% |
| SOUTH KOREA | 1,600.00 | | 1,600 | |
| SWAZILAND | 1,036.80 | | 1,037 | |
| CZECH REP | 325.00 | 2,734.00 | -2,409 | -88% |
| AUSTRALIA | | 342,913.00 | -342,913 | -100% |
| BELGIUM | | 58,799.00 | -58,799 | -100% |
| BURKINA FASO | | 36,288.00 | -36,288 | -100% |
| FRANCE | | 38,400.00 | -38,400 | -100% |
| GABON | | 13,200.00 | -13,200 | -100% |
| GREECE | | 100.00 | -100 | -100% |
| IVORY COAST | | 42,864.00 | -42,864 | -100% |

| | | | | |
|-------------|----------------|----------------|------------|-------|
| KUWAIT | | 3,900.00 | -3,900 | -100% |
| LEBANON | | 31,044.00 | -31,044 | -100% |
| MALTA | | 5,174.00 | -5,174 | -100% |
| SOUTH SUDAN | | 2,450.00 | -2,450 | -100% |
| TOGO | | 10,348.00 | -10,348 | -100% |
| ZAMBIA | | 26,840.00 | -26,840 | -100% |
| | | | | |
| TOTAL | 389,047,708.87 | 323,196,054.56 | 65,851,654 | 20% |