



TEA BOARD OF KENYA

Realizing the Tea Promise

KENYA TEA INDUSTRY PERFORMANCE HIGHLIGHTS FOR OCTOBER 2021

PRODUCTION

Tea production for the month of October 2021 stood at 48.95 Million Kgs, which was a slight improvement compared to 48.27 Million Kgs recorded in October last year and was within the average seasonal output for the month of October. It was also an improved production in comparison to 43.18 Million Kgs recorded in September and 33.63 Million Kgs recorded in August. Improved production in the month of October compared to preceding months follows the onset of the “short” rains season in the country which unlike other years, was delayed and marked with intermittent dry spells over most parts of the country. However, tea growing areas in the highlands within Central, South and West of the Rift Valley received rainfall amounts that was equivalent or slightly above the average rainfall expected for the month of October.

Owing to relatively higher rainfall in the West of Rift especially in tea growing areas of Kericho, Bomet, Kisii, and Nyamira counties, production within the region was much more enhanced from 30.07 Million Kgs recorded in the same period of last year to 31.47 Million Kgs. However, due to poorly distributed and lower rainfall in the East of Rift especially in Muranga, Nyeri, Kirinyaga, Embu and Meru counties, production within the Region dropped from 18.77 Million Kgs recorded in October last year to 17.48 Million Kgs.

Notably, production within the Plantation sub-sector improved from 22.54 Million Kgs to 23.08 Million Kgs since the sub-sector is more widespread in the West of Rift, which recorded well-distributed and favourable amounts of rainfall. Similarly, favourable weather conditions in the West of Rift contributed to improved output within the smallholder sub-sector in the Region following which the sub-sector recorded slightly



higher production from 25.72 Million Kgs recorded during the same period of last year to 25.87 Million Kgs.

For the ten-month period, cumulative production was significantly lower by 32.86 Million Kgs to stand at 434.58 Million Kgs against 467.44 Million Kgs recorded during the corresponding period of 2020. Lower production is attributable to unfavourable weather conditions experienced in the first eight months of the year. However, for the remaining period of the year, the trend is expected to remain the same as the Rainfall during the October to December ("Short Rainfall Season") period is predicted to be depressed and poorly distributed according to weather forecasts by the Kenya Meteorological Department. Accordingly, this year's output is expected to be significantly lower compared to that of last year.

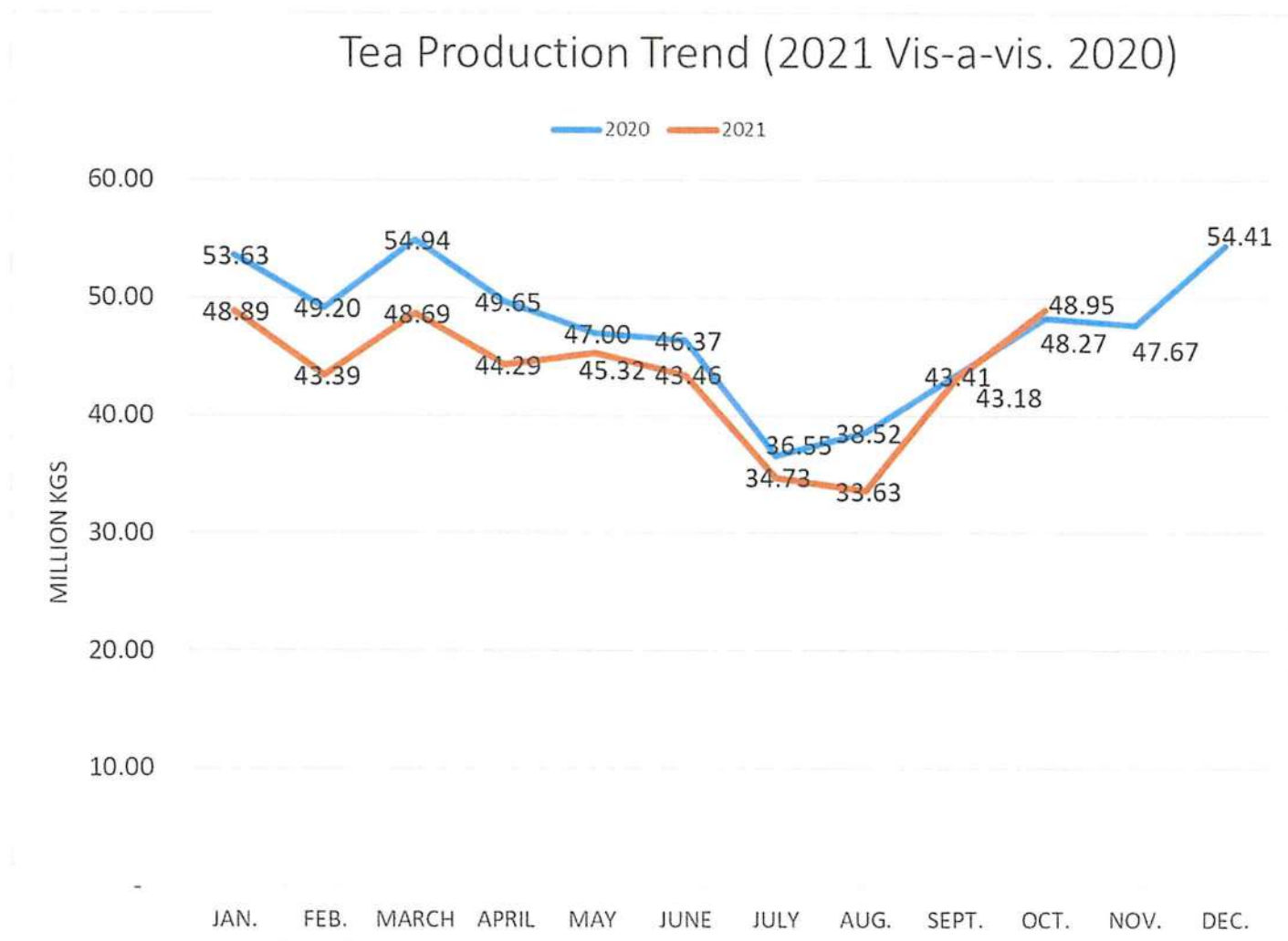


Table 1: Production by Sub-Sector and Region (2021 vis-à-vis 2020)

Sub-Sector	Region	Oct.-21	Oct.- 20	Variance	Var. (%)	Jan. – Oct. 2021	Jan. – Oct. 2020	Variance +/-	Var. (%)
Plantation	West of Rift	20,893,255	20,407,846	485,409	2.38%	192,943,847	184,012,462	8,931,385	4.85%
	East of Rift	2,187,600	2,141,703	45,897	2.14%	15,158,401	16,118,404	- 960,003	-5.96%
	Total	23,080,855	22,549,549	531,306	2.36%	208,102,248	200,130,866	7,971,382	3.98%
Smallholder	West of Rift	10,577,359	9,671,483	905,876	9.37%	98,863,703	119,049,321	- 20,185,618	-16.96%
	East of Rift	15,298,673	16,053,612	- 754,939	-4.70%	127,621,369	148,263,571	- 20,642,202	-13.92%

	Total	25,876,032	25,725,095	150,937	0.59%	226,485,072	267,312,892	- 40,827,820	-15.27%
Plantation & Smallholder	West of Rift	31,470,614	30,079,329	1,391,285	4.63%	291,807,550	303,061,783	- 11,254,233	-3.71%
	East of Rift	17,486,273	18,195,315	- 709,042	-3.90%	142,779,770	164,381,975	- 21,602,205	-13.14%
	Total	48,956,887	48,274,644	682,243	1.41%	434,587,320	467,443,758	- 32,856,438	-7.03%

TEA SALES

AUCTION

During the month of October, auction sales volume for Kenya tea stood at 29.35 Million Kgs, which was higher compared to 26.45 Million kgs recorded in the corresponding month of last year and compared to 27.66 Million Kgs sold in the month of September 2021. The average monthly auction price for Kenyan tea was higher at 2.42 USD per Kg against 1.98 for the same period of last year and 2.33 for the same period of 2019. During the month of October, auction prices continued on an upward trajectory after experiencing a declining trend to a seven-month low of 1.75 USD per Kg in July. Reversed trend follows 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 October, tea offered for sale by the smallholder tea factories fetched an average price of USD 2.99 for the main grades from an average price of USD 2.75 in September, USD 2.61 in August and USD 2.33 in July.

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 2.59 to 6.02 per Kg for the BP1s and 3.30 to 3.80 for the PF1s while tea prices for a similar category of the dust grades ranged between USD 3.50 to 4.02 for PDust and USD 3.10 to 3.52 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. During the month buyers for most of the markets were active at the auction except for Afghanistan, which has been facing political and economic turmoil since August 2021. However, trading activities in Afghanistan resumed towards the end of September.

For the period January - October 2021, the average auction price for Kenyan CTC tea was at par with the same period of last year at USD 2.02 and slightly lower in comparison with USD 2.18 recorded during the same period of 2019. Lower auction prices to October was attributable to poor auction performance during the first seven months of the year.

During the month of October, there was no Orthodox tea grades on offer at the auction.

EXPORTS

The total export volume for the month of October was lower by 18% at 41.82 Million Kgs against 51 Million Kgs recorded in the same period of last year. The export volume was also much lower compared to 48.67 Million Kgs exported during the month of September and 49.78 Million Kgs exported during the month of August 2021. Lower exports follows lower production during the previous months.

During the month of October, 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 15.81 Million Kgs, accounting for 37.8% of the total export volume. Other key export destinations for Kenyan tea were Egypt (8.34 Million Kgs), UK (4.41 Million Kgs), Russia (2.45 Million Kgs), UAE (2.06 Million Kgs), Sudan (1.15 Million Kgs), Poland (0.99 Million Kgs), Kazakhstan (0.79 Million Kgs), Yemen (0.71 Million Kgs), and Jordan (0.58 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 such as U.A.E and Poland and to emerging markets such as Ireland, U.S.A and Ukraine. There were also shipments to seasonal markets such as Finland, Myanmar, Taiwan, Mexico, DR Congo and Gambia.

The total export volume for the ten-month period of 2021 was 9% higher at 467.90 Million Kgs, compared to 428.16 Million Kgs recorded during the same period of last year.

LOCAL TEA SALES

Local tea sales for October 2021 was 3.12 Million Kgs against 3.34 Million Kgs recorded during the corresponding month of 2020 while cumulative tea sales for the ten month period of 2021 stood at 31.03 Million Kgs compared to 33.69 Million Kgs for the same period of 2020.

22ND DECEMBER 2021

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

DESTINATION	2021- QUANTITY KGS	2020 - QUANTITY KGS	QUANTITY VARIANCE KGS	%AGE VARIANCE
PAKISTAN	15,807,289.00	20,997,510	-5,190,221	-25%
EGYPT	8,341,206.00	9,183,584	-842,378	-9%
UK	4,414,337.00	4,489,074	-74,737	-2%
RUSSIA	2,455,192.00	2,564,627	-109,435	-4%
UAE	2,061,357.00	1,985,440	75,917	4%
SUDAN	1,158,103.10	2,010,799	-852,696	-42%
POLAND	990,008.00	903,183	86,825	10%
KAZAKHSTAN	795,113.00	937,517	-142,404	-15%
YEMEN	716,500.00	1,626,600	-910,100	-56%
JORDAN	588,750.00	919,450	-330,700	-36%
IRAN	380,064.00	407,783	-27,719	-7%
IRELAND	372,034.40	163,045	208,990	128%
USA	344,841.00	148,418	196,423	132%
CHINA	286,458.00	479,975	-193,517	-40%
INDIA	264,948.00	929,171	-664,223	-71%
SWITZERLAND	256,474.00	236,854	19,620	8%
UKRAINE	254,649.00	101,602	153,047	151%
JAPAN	247,410.00	187,752	59,658	32%
SAUDI ARABIA	227,219.00	469,430	-242,211	-52%
NIGERIA	196,000.00	376,876	-180,876	-48%
MALAYSIA	189,366.00	207,453	-18,087	-9%
TURKEY	163,512.00	101,496	62,016	61%
OMAN	154,164.00	80,040	74,124	93%
QATAR	144,988.00	130,220	14,768	11%
INDONESIA	141,336.00	143,988	-2,652	-2%
BANGLADESH	96,000.00	96,000	0	0%
CANADA	93,885.00	117,680	-23,795	-20%
UZBEKISTAN	74,417.00	245,765	-171,348	-70%
SRI LANKA	72,932.00	59,755	13,177	22%
GERMANY	70,062.00	29,625	40,437	136%
AFGHANISTAN	67,764.00	66,726	1,038	2%
SOMALIA	66,552.00	231,140	-164,588	-71%
KYRGYZSTAN	58,508.00	24,205	34,303	142%
NETHERLANDS	46,162.00	134,276	-88,114	-66%
FINLAND	37,870.00		37,870	
CHAD	36,592.00	35,927	665	2%
MYANMAR	28,000.00		28,000	
TAIWAN	25,000.00		25,000	
ISRAEL	24,000.00	24,000	0	0%
HONG KONG	22,680.00	1,724	20,956	1216%
SOUTH AFRICA	18,700.00	60,212	-41,512	-69%
NEWZEALAND	12,800.00	22,000	-9,200	-42%
MEXICO	9,000.00		9,000	
DR CONGO	8,107.00		8,107	
SINGAPORE	2,430.00	10,000	-7,570	-76%
AUSTRALIA	1,440.00	1,313	127	10%
GAMBIA	960.00		960	
MOROCCO	500.00	9,500	-9,000	-95%
GHANA		46,320	-46,320	-100%
BELGIUM		25,200	-25,200	-100%
MAURITIUS		20,000	-20,000	-100%

TAJIKISTAN		16,098	-16,098	-100%
LITHUANIA		6,636	-6,636	-100%
TAIWAN		6,400	-6,400	-100%
BURKINA FASO		5,174	-5,174	-100%
			0	
TOTAL	41,825,680	51,077,562	-9,251,883	-18%

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

DESTINATION	2021- QUANTITY KGS	2020 - QUANTITY KGS	QUANTITY VARIANCE KGS	%AGE VARIANCE
PAKISTAN	173,756,685.76	151,735,610	22,021,076	15%
EGYPT	81,639,163.60	74,418,713	7,220,451	10%
UK	40,572,540.31	43,050,739	-2,478,199	-6%
UAE	24,414,581.86	20,490,965	3,923,617	19%
RUSSIA	25,562,084.00	20,249,071	5,313,013	26%
SUDAN	26,128,961.97	18,353,739	7,775,223	42%
YEMEN	13,226,955.00	12,536,965	689,990	6%
KAZAKSTAN	10,336,018.15	8,877,615	1,458,403	16%
POLAND	7,936,098.00	6,793,983	1,142,115	17%
IRAN	5,491,681.00	2,307,680	3,184,001	138%
IRELAND	4,353,616.40	3,206,820	1,146,796	36%
CHINA	4,660,951.00	3,752,656	908,295	24%
NIGERIA	5,089,032.00	3,737,701	1,351,331	36%
USA	2,903,818.20	2,612,639	291,179	11%
INDIA	3,801,625.00	5,134,280	-1,332,655	-26%
SWITZERLAND	4,117,262.00	1,958,595	2,158,667	110%
JAPAN	2,946,221.00	1,736,886	1,209,335	70%
SAUDI ARABIA	2,935,979.00	6,691,151	-3,755,172	-56%
JORDAN	1,900,000.00	7,805,847	-5,905,847	-76%
NETHERLANDS	2,781,647.42	2,287,983	493,664	22%
UKRAINE	2,294,037.00	1,604,328	689,709	43%
INDONESIA	1,950,781.00	2,178,711	-227,930	-10%
TURKEY	1,689,419.00	2,536,767	-847,348	-33%
MALAYSIA	1,897,612.00	2,263,969	-366,357	-16%
AFGHANISTAN	1,657,199.00	3,973,667	-2,316,468	-58%
UZBEKISTAN	1,227,951.00	2,182,326	-954,375	-44%
SRI LANKA	1,649,046.00	764,474	884,572	116%
GERMANY	1,012,542.00	4,340,235	-3,327,693	-77%
QATAR	1,146,306.00	927,628	218,678	24%
OMAN	1,011,562.00	528,524	483,038	91%
SOUTH AFRICA	1,039,076.00	902,140	136,936	15%
CANADA	647,885.00	1,135,797	-487,912	-43%
SOMALIA	1,054,641.00	1,894,201	-839,560	-44%
KYRGYZSTAN	400,276.00	69,025	331,251	480%
CHAD	880,853.00	477,868	402,985	84%
GHANA	452,992.00	486,840	-33,848	-7%
BANGLADESH	694,800.00	368,278	326,522	89%

TAIWAN	367,460.00	289,460	78,000	27%
SINGAPORE	116,930.00	118,656	-1,726	-1%
MEXICO	63,000.00	7,579	55,421	731%
MAURITIUS	297,400.00	291,146	6,254	2%
DJIBOUTI	198,284.00	241,872	-43,588	-18%
MYANMAR	161,067.00	174,889	-13,822	-8%
ITALY	28,460.00	25,760	2,700	10%
HONK KONG	205,090.40	38,934	166,156	427%
NEW ZEALAND	89,600.00	75,064	14,536	19%
IRAQ	189,326.00	6,676	182,650	2736%
BRAZIL	36,320.80	20,564	15,757	77%
ERITREA	130,000.00	131,040	-1,040	-1%
AZERBAIJAN	97,787.00	86,070	11,718	14%
PERU	117,080.00	48,000	69,080	144%
MOROCCO	67,900.00	109,340	-41,440	-38%
FINLAND	71,478.00	18,400	53,078	288%
VIETNAM	71,174.00	69,308	1,866	3%
ISRAEL	72,000.00	69,344	2,656	4%
TANZANIA	20,220.00		20,220	#DIV/0!
CONGO	16,213.60		16,214	#DIV/0!
TURKMENISTAN	51,685.00		51,685	#DIV/0!
MALI	10,348.00	13,230	-2,882	-22%
FRANCE	8,164.80	38,400	-30,235	-79%
UGANDA	5,433.00		5,433	#DIV/0!
TAJIKISTAN	23,829.00	16,098	7,731	48%
IVORY COAST	7,764.00	42,864	-35,100	-82%
SPAIN	22,880.00	4,896	17,984	367%
ISLE OF MAN	24,000.00	25,025	-1,025	-4%
ANGOLA	24,058.00		24,058	#DIV/0!
SENEGAL	5,174.00		5,174	#DIV/0!
LITHUANIA	7,224.00	16,984	-9,760	-57%
BAHRAIN	12,412.00		12,412	#DIV/0!
SOUTH KOREA	1,600.00		1,600	#DIV/0!
AUSTRALIA	1,665.00	344,226	-342,561	-100%
CHILE	2,134.08	1,180,961	-1,178,827	-100%
CAMEROON	8,083.00	5,174	2,909	56%
SWAZILAND	1,036.80		1,037	#DIV/0!
GUINEA	5,472.00	5,472	0	0%
CZECH REP.	325.00	2,734	-2,409	-88%
GAMBIA	960.00		960	#DIV/0!
BELGIUM		108,799	-108,799	-100%
BURKINA FASO		62,158	-62,158	-100%
LEBANON		31,044	-31,044	-100%
ZAMBIA		26,840	-26,840	-100%
GABON		13,200	-13,200	-100%
TOGO		10,348	-10,348	-100%
NIGER		10,348	-10,348	-100%
MALTA		5,174	-5,174	-100%
KUWAIT		4,030	-4,030	-100%

SOUTH SUDAN		2,450	-2,450	-100%
GREECE		100	-100	-100%
ARGENTINA			0	
EPZ			0	
GIBRALTAR			0	
MACAU			0	
MOZAMBIQUE			0	
PALAU			0	
			0	
TOTAL	467,902,938	428,167,072.32	39,735,866	9%