



## TEA BOARD OF KENYA

*Realizing the Tea Promise*

### **KENYA TEA INDUSTRY PERFORMANCE HIGHLIGHTS FOR DECEMBER 2022 AND THE YEAR 2022**

#### **PRODUCTION**

Tea production for the month of December 2022 was enhanced by 2.79 Million Kgs from 52.52 Million Kgs recorded in the same month of 2021 to 55.32 Million Kgs. Production for the month of December was also higher compared to that of November which recorded 49.40 Million Kgs. Improved production for the month of December follows enhanced rainfall in most parts of the country compared to the months of November 2022 and December 2021. Though the month of December usually marks the cessation of the October to December seasonal rainfall ("Short Rains" Season), rainfall amounts received in the western region of the country and the highlands West, Central and South of the Rift Valley was more enhanced to above average except in a few areas such as Nakuru, Bomet and Nyamira that recorded below average precipitation. In tea growing areas within the West of Rift valley, the highest monthly rainfall was recorded in Kericho, Kakamega and Kisii. Similarly, the highlands East of the Rift Valley and Central Kenya received near-to-above average rainfall, with Meru recording the highest amounts. Consequently, production in tea growing areas within the East of Rift was significantly higher at 21.91 Million Kgs compared to 19.53 Million Kgs recorded during the corresponding month of 2021. Within the West of Rift region, production increased slightly from 32.99 Million Kgs to 33.40 Million Kgs recorded during the month of December 2021. Consequent to good weather conditions in parts of the West of Rift (Kericho) and East of Rift (Kiambu) where the Plantation sub-sector is more pronounced, production within the sub-sector increased from 22.35 Million Kgs to 25.24 Million Kgs. However, owing to poorly distributed rainfall in some parts of the



West of Rift (Bomet and Nyamira) production within the smallholder sub-sector dropped from 30.17 Million Kgs recorded during the corresponding month of 2021 to 30.08 Million Kgs.

Total production for the year 2022 was lower by 2.79 Million Kgs to stand at 535.04 Million Kgs against 537.83 Million Kgs recorded in 2021. Lower production for the year 2022 was attributed to depressed (below average) and poorly distributed rainfall in the months of March and April during the "long Rains" and in November during the "Short Rains" season. Though the months of April and November usually mark the peak of the "long Rains" and Short Rains" season, respectively, the rainfall received in most parts of the country was occasional, depressed and unevenly distributed while in other areas, weather conditions were mostly sunny and dry. The rainfall amounts received was also below the Long-term Mean for the respective months owing to the effects of "La nina" weather conditions.

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

Sub-Sector	Region	December-22	December-21	Variance	Var.(%)	Jan - Dec 2022	Jan - Dec 2021	Variance	Var.(%)
Plantation	West of Rift	22,809,746	20,715,133	2,094,613	10.11%	242,922,827	234,728,728	8,194,099	3.49%
	East of Rift	2,431,901	1,635,035	796,866	48.74%	19,294,506	18,285,532	1,008,974	5.52%
	Total	25,241,647	22,350,168	2,891,479	12.94%	262,217,332	253,014,260	9,203,073	3.64%
Smallholder	West of Rift	10,592,893	12,279,780	- 1,686,887	-13.74%	118,937,029	123,504,944	- 4,567,915	-3.70%
	East of Rift	19,488,074	17,896,408	1,591,666	8.89%	153,889,334	161,313,636	- 7,424,301	-4.60%
	Total	30,080,967	30,176,188	- 95,221	-0.32%	272,826,363	284,818,579	- 11,992,216	-4.21%
Plantation & Smallholder	West of Rift	33,402,639	32,994,913	407,726	1.24%	361,859,856	358,233,672	3,626,184	1.01%
	East of Rift	21,919,975	19,531,443	2,388,532	12.23%	173,183,840	179,599,167	- 6,415,327	-3.57%
	Total	55,322,615	52,526,356	2,796,259	5.32%	535,043,695	537,832,839	- 2,789,144	-0.52%

Tea Production Trend (2022 Vis.-a-vis. 2021)



## **TEA SALES**

### **AUCTION**

During the month of December, auction sales volume for Kenya tea was lower at 25.30 Million Kgs compared to 40.09 Million Kgs sold in November 2022 and 34.25 Million Kgs in December 2021. The average auction price for Kenya tea during the month of December was slightly lower at 2.39 USD per Kg compared to 2.49 in November and 2.46 USD per Kg in October. It was also lower compared to 2.59 USD recorded during the same period of 2021 but higher than 1.94 USD in December 2020. For all the teas offered for sale at the auction during the month, "Best" category across CTC leaf and dust grades fetched higher prices especially those that were well sorted grades and had brighter liquors.

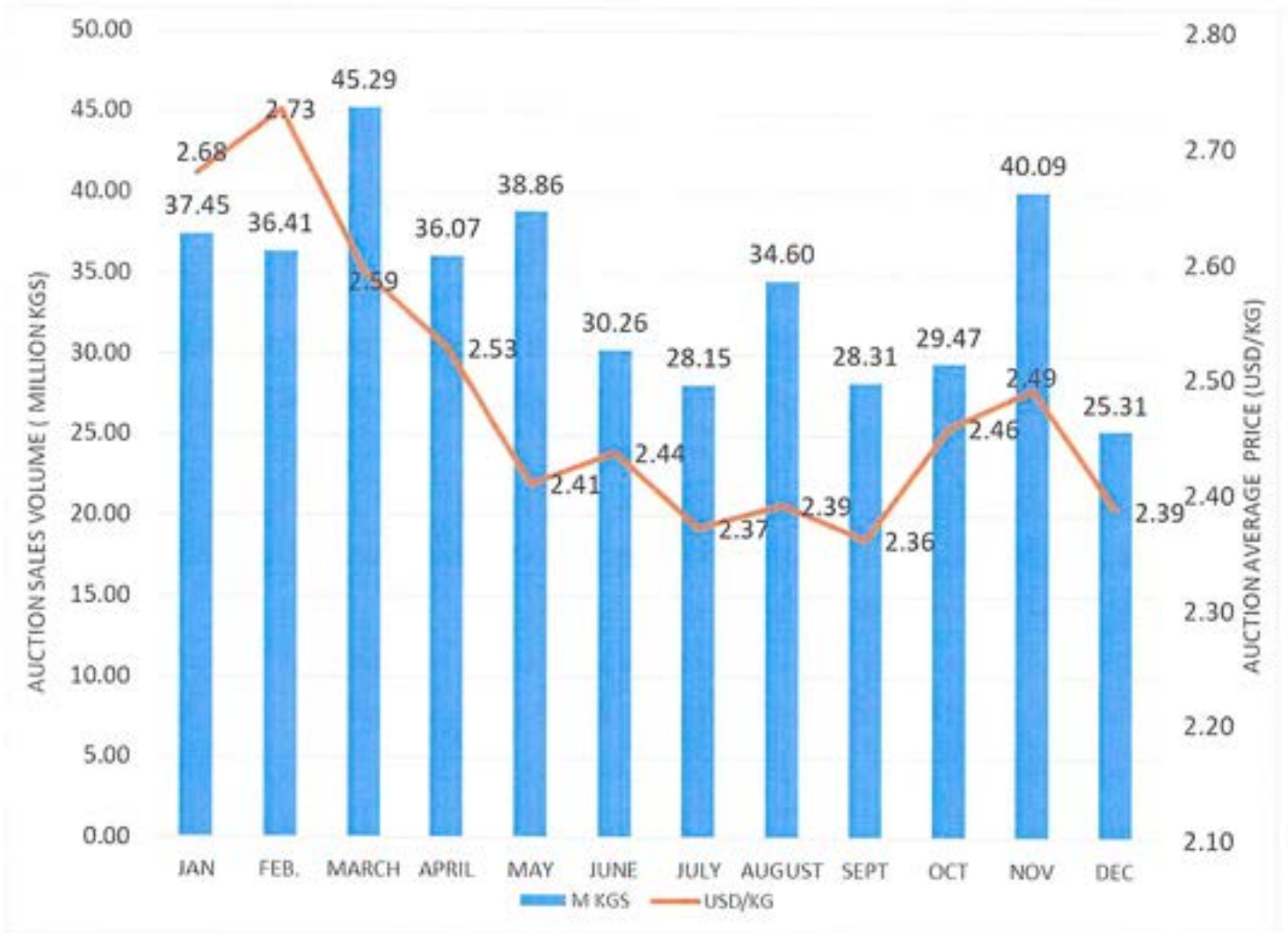
During the year 2022, the total volume of Kenya tea sold at the auction was higher at 410.26 Million Kgs compared to 388.28 Million Kgs in 2021 but lower against 415.98

Million Kgs in 2020. However, auction prices for Kenya tea were higher at an average of USD 2.49 per Kg compared to USD 2.10 for the year 2021 and 2.01 in 2020.

In 2022, tea offered for sale by the smallholder tea factories fetched significantly higher prices at an average of USD 2.72 per Kg for the main grades from an average price of USD 2.45 in 2021 and USD 2.23 in 2020.

Though the auction prices have been on an upward trajectory since August 2021 after experiencing a declining trend from 2019, during the period from March to December 2022 the prices were negatively affected by global economic shock experienced in most markets due to the effect of Russia-Ukraine crisis. The crisis, which commenced towards the end of February 2022 affected global trading logistics leading to gradual increase in commodity prices and weakening of local currencies against the USD which in turn affected consumer purchasing power within the markets. Notably, during the period to-date, exporters of tea to Russia and Iran markets participated less in tea buying at the auction. Buyers exporting to key markets such as Pakistan and Egypt also bought less due to challenge of payments in the markets attributed to inadequate forex exchange reserves. Consequently, during the period from March to December 2022, auction prices for Kenya tea dropped to an average of between USD 2.36 and USD 2.59 compared to USD 2.71 recorded in January to February.

**Figure 1: Auction Sales Trend for Kenya Tea (January-December 2022)**



## **EXPORTS**

The total export volume for the month of December 2022 was lower by 25% from 45.93 Million Kgs recorded in 2021 to 34.32 Million Kgs and was also lower compared to 40.65 Million Kg recorded in November. However, the number of export destinations was higher at forty-seven compared to forty recorded in December 2021. Lower export volume was due to less imports by Pakistan, Egypt and Russia owing to challenges of forex exchange reserves affecting these markets occasioned by the effect of the Russia-Ukraine crisis on the global economy.

During the month, Pakistan maintained its position as the leading export destination for Kenya tea having imported 12.40 Million Kgs, which was lower compared to 18.64 Million Kgs imported in December 2021 and against 17.67 Million Kgs for the month of November. Imports by Egypt, which is the second biggest market destination for

Kenya tea were also lower at 5.98 Million Kgs compared to 9.25 Million Kgs for the same period of 2021. Other key export destinations for Kenya tea were UAE which imported 3.35 Million Kgs; UK (2.94 Million Kgs); Yemen (1.77 Million Kgs); Sudan (1.46 Million Kgs); Afghanistan (0.736 Million Kgs); Kazakhstan (0.665 Million Kgs); Iran (0.598 Million Kgs and Saudi Arabia (0.42 Million Kgs). The top ten export destinations, which are traditional markets for Kenya tea accounted for 88% of Kenya tea export volume out of which 36% was imported by Pakistan.

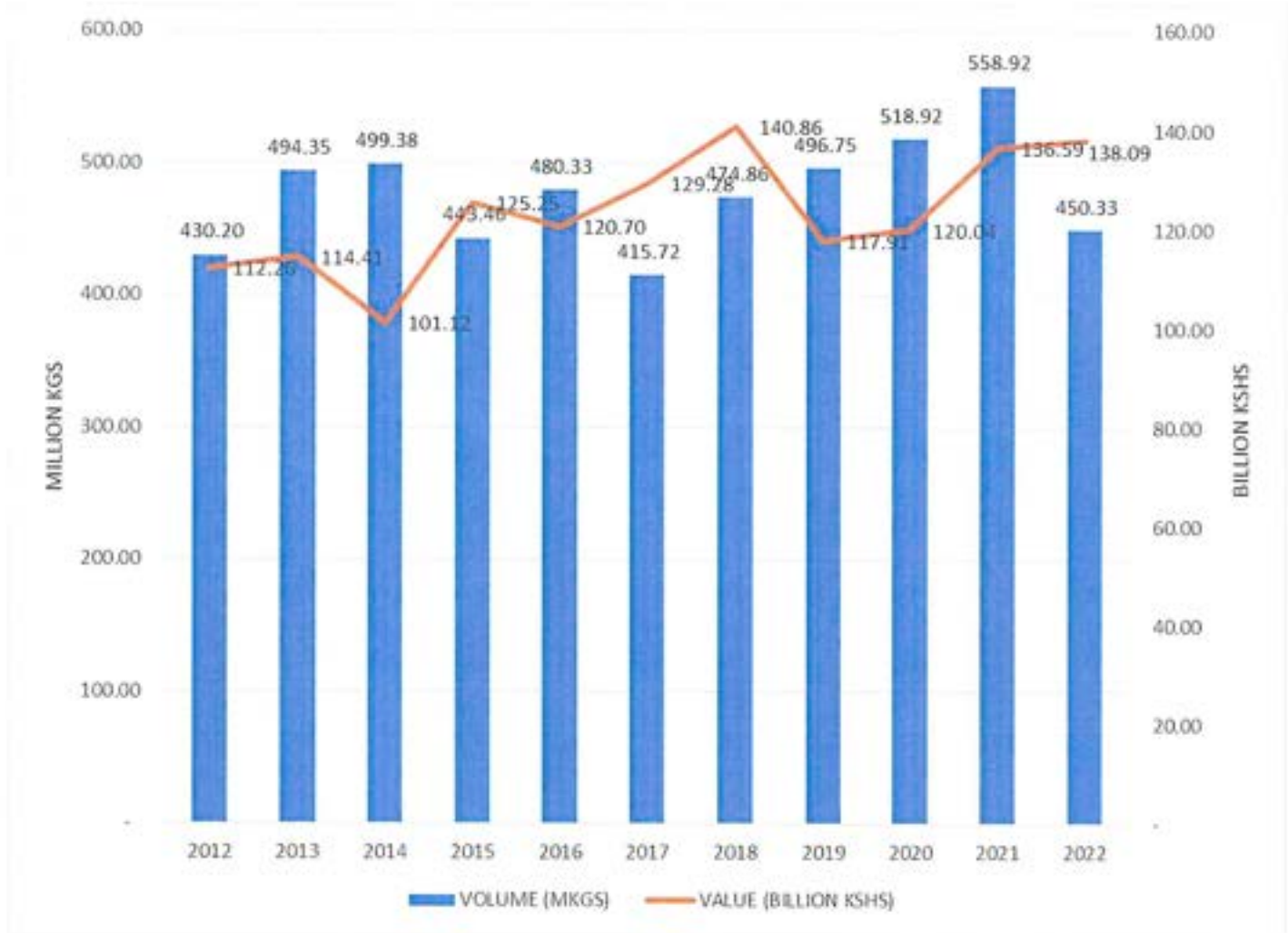
Amongst the ten traditional markets UAE, Yemen, Afghanistan, Iran and Saudi Arabia recorded higher imports while Pakistan; Egypt; UK; Sudan and Kazakhstan recorded lower tea imports from Kenya compared to the same period of 2021. Decline was also recorded in other key and emerging markets such as Russia; Poland; Jordan; India; Malaysia; Sri Lanka; China; Ghana; Turkey; Singapore; and Indonesia. The decline in exports was attributed to the global economic recession that has continued to affect purchasing power in most of the markets.

However, higher shipments were recorded in seasonal and emerging markets such as Burkina Faso; Spain; Brazil; Chile; Zambia; Azerbaijan; Mauritius; Iraq; New Zealand; Gabon; and Mali.

Cumulatively for the year 2022, the total export volume was lower by 19% from 558.92 Million Kgs recorded in 2021 to 450.33 Million Kgs while the export earnings rose to Kshs. 138 Billion compared to 136 Billion in 2021 and 120 Billion in 2020. Increase in export earnings was attributed to depreciation of the Kenya Shilling against the USD as well as improved prices. During the year 2022, the Kenya Shilling depreciated gradually against USD from an average of 109.64 in 2021 to 117.87 while the export value per Kg increased from an average of USD 2.23 per Kg. to USD 2.60.

Out of the total export volume, 98% was black CTC type of tea while 1% was Orthodox (4.81 Million Kgs) and the remaining 1% consisted of Green, Purple and tea extracts. About 1% (6.35 Million Kgs) was in value added form while 99% was in bulk form. Orthodox, Green, Purple and tea extracts, which are specialty teas were offered to buyers overseas and fetched significantly higher prices compared to CTC teas.

## **Figure 2: Export Sales Trend for Kenya Tea (2012-2022)**



### **LOCAL TEA SALES**

Local tea sales for December 2022 stood at 3.73 Million Kgs, which was lower against 3.87 Million Kgs for the corresponding period of 2021 while cumulative sales in the local market for the year 2022 was also lower at 36.35 Million Kgs against 38.42 Million Kgs for the year 2021 and 40.34 Million Kgs for 2020. Less sales during the year was attributed to lower demand of tea due to reduced purchasing power amongst the consumers occasioned by inflationary pressure on commodity prices. The high rate of inflation was brought about by effect of the ongoing global economic recession. Overall inflation rate for the year 2022 was higher at an average of 7.64 percent compared to 6.11 percent for 2021 and 5.29 percent in 2020. The highest rate of inflation averaging 9.04 percent was recorded during the second-half of the year.

6<sup>th</sup> February 2023

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

DESTINATION	2022- QUANTITY KGS	2021 - QUANTITY KGS	QUANTITY VARIANCE KGS	%AGE VARIANCE
PAKISTAN	12,409,734	18,649,260	-6,239,525	-33%
EGYPT	5,978,745	9,252,239	-3,273,494	-35%
UAE	3,351,506	2,844,459	507,047	18%
UK	2,936,241	3,274,597	-338,356	-10%
YEMEN	1,772,920	1,297,054	475,866	37%
SUDAN	1,469,947	2,043,125	-573,178	-28%
AFGHANISTAN	736,722	204,445	532,277	260%
KAZAKHSTAN	665,956	800,236	-134,280	-17%
IRAN	598,385	369,750	228,635	62%
SAUDI ARABIA	420,712	299,414	121,298	41%
RUSSIA	420,306	2,126,593	-1,706,287	-80%
USA	392,889	249,114	143,775	58%
UKRAINE	365,584	183,755	181,829	99%
IRELAND	342,492	276,917	65,575	24%
POLAND	313,607	527,184	-213,577	-41%
SWITZERLAND	312,712	220,578	92,134	42%
JAPAN	281,470	270,132	11,338	4%
JORDAN	229,000	478,500	-249,500	-52%
NETHERLANDS	210,864	58,000	152,864	264%
SOMALIA	131,403	51,700	79,703	154%
UZBEKISTAN	121,200	24,000	97,200	405%
INDIA	118,770	260,438	-141,668	-54%
GERMANY	89,204	71,400	17,804	25%
COTE D'IVOIRE	77,621		77,621	#DIV/0!
MALAYSIA	68,929	350,762	-281,833	-80%
TAIWAN	48,461	36,560	11,901	33%
SRI LANKA	47,768	66,875	-19,107	-29%
BURKINA FASO	41,590		41,590	#DIV/0!
CHINA	40,320	192,475	-152,155	-79%
SPAIN	39,420		39,420	#DIV/0!
BRAZIL	37,556		37,556	#DIV/0!
CHILE	30,021		30,021	#DIV/0!
GHANA	27,690	61,854	-34,164	-55%
ZAMBIA	24,840		24,840	#DIV/0!
AZERBAIJAN	24,000		24,000	#DIV/0!
TURKEY	24,000	321,708	-297,708	-93%
ISRAEL	23,298	24,000	-702	-3%
MAURITIUS	19,410		19,410	#DIV/0!
SINGAPORE	16,070	20,400	-4,330	-21%
IRAQ	15,094	7,600	7,494	99%
NEW ZEALAND	14,000	430	13,570	3156%
INDONESIA	13,120	288,500	-275,380	-95%
GABON	10,349		10,349	#DIV/0!
MALI	10,349		10,349	#DIV/0!
AUSTRALIA	330		330	#DIV/0!
CZECH REPUBLIC	180		180	#DIV/0!
SOUTH KOREA	94		94	#DIV/0!



BAHRAIN		3,636	-3,636	-100%
CHAD		99,700	-99,700	-100%
FINLAND		21,615	-21,615	-100%
NIGERIA		298,863	-298,863	-100%
OMAN		53,600	-53,600	-100%
PERU		250,263	-250,263	-100%
<b>TOTAL</b>	<b>34,324,878</b>	<b>45,931,730</b>	<b>-11,606,853</b>	<b>-25%</b>

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

DESTINATION	2022		2021		VARIANCE KGS	%AGE VARIANCE
	QUANTITY KGS	VALUE KSHS	QUANTITY KGS	VALUE KSHS		
PAKISTAN	181,980,074	57,511,382,743	212,506,120	54,879,992,848	-30,526,046	-14%
EGYPT	64,998,938	20,191,631,976	98,515,709	23,324,565,171	-33,516,771	-34%
UK	38,617,720	10,670,207,547	49,062,965	10,821,172,315	-10,445,245	-21%
UAE	28,955,732	8,788,196,932	29,657,850	7,891,040,458	-702,118	-2%
SUDAN	20,019,217	4,521,282,904	28,172,087	5,039,525,846	-8,152,870	-29%
RUSSIA	19,124,830	5,101,163,439	29,612,103	6,253,467,718	-10,487,273	-35%
YEMEN	16,797,852	5,812,866,863	15,663,468	4,401,366,979	1,134,384	7%
KAZHAKSTAN	7,577,693	2,407,028,881	11,729,790	3,472,621,644	-4,152,097	-35%
AFGHANISTAN	7,114,948	2,274,488,302	2,334,856	585,147,439	4,780,092	205%
POLAND	6,867,004	1,771,034,155	9,074,514	1,940,804,327	-2,207,510	-24%
SAUDI ARABIA	6,080,706	2,017,982,625	3,331,197	889,850,451	2,749,509	83%
IRELAND	5,166,708	2,266,006,786	4,933,247	1,684,621,533	233,460	5%
IRAN	4,889,495	1,660,898,658	6,236,729	1,744,362,650	-1,347,234	-22%
NIGERIA	4,265,957	1,146,521,503	5,611,895	1,132,372,438	-1,345,938	-24%
JORDAN	3,744,100	1,299,959,084	2,378,500	743,116,468	1,365,600	57%
JAPAN	2,614,262	936,290,356	3,394,499	1,042,436,218	-780,237	-23%
USA	2,603,772	1,330,729,917	3,536,612	1,398,985,462	-932,841	-26%
INDONESIA	2,537,786	745,658,627	2,413,293	585,052,688	124,493	5%
SWITZERLAND	2,525,873	615,384,830	4,679,520	945,436,259	-2,153,647	-46%
INDIA	2,343,239	749,590,008	4,679,815	1,056,257,594	-2,336,576	-50%
MALAYSIA	2,239,926	727,484,450	2,473,139	542,157,486	-233,213	-9%
CHINA	1,810,104	562,347,936	5,131,324	1,205,116,049	-3,321,220	-65%
UKRAINE	1,796,128	398,648,956	2,641,712	536,151,814	-845,584	-32%
SOMALIA	1,494,541	224,038,470	1,160,747	130,943,286	333,794	29%
NETHERLANDS	1,395,072	354,942,955	2,910,011	545,993,432	-1,514,939	-52%
TURKEY	1,366,047	373,455,220	2,266,123	532,844,828	-900,076	-40%
SOUTH AFRICA	1,106,894	294,366,423	1,203,522	211,531,197	-96,628	-8%
PERU	995,912	276,641,304	367,343	90,252,157	628,569	171%
UZBEKISTAN	857,066	210,406,177	1,387,818	332,546,255	-530,752	-38%
GERMANY	799,911	246,308,100	1,248,495	294,140,215	-448,584	-36%
QATAR	781,761	201,867,631	1,272,206	255,014,154	-490,445	-39%
OMAN	766,464	176,025,421	1,193,684	263,246,521	-427,220	-36%
BANGLADESH	741,600	128,013,178	694,800	92,620,558	46,800	7%
SRI LANKA	485,722	94,818,622	1,746,509	272,335,621	-1,260,787	-72%
MAURITIUS	451,423	104,993,566	317,400	68,579,178	134,023	42%
CANADA	441,644	154,209,975	742,809	188,954,974	-301,165	-41%
GHANA	423,367	111,160,152	514,846	107,322,980	-91,479	-18%
TAIWAN	305,295	108,396,174	405,220	95,717,418	-99,925	-25%
KYRGYZSTAN	261,224	88,580,087	400,276	109,696,566	-139,052	-35%
CHILE	243,569	207,781,192	2,134	2,028,519	241,435	11313%

SINGAPORE	206,550	169,386,466	156,785	132,946,037	49,765	32%
DJIBOUTI	192,850	55,032,841	258,444	68,096,155	-65,594	-25%
MYANMAR	187,728	63,628,719	187,067	54,892,257	661	0%
BURKINA FASO	186,310	125,666,005			186,310	
AZERBAIJAN	165,270	58,746,689	97,787	26,504,648	67,483	69%
CHAD	157,380	19,548,109	1,004,553	111,938,357	-847,173	-84%
ZAMBIA	148,900	28,715,190				
HONG KONG	139,080	26,289,631	239,110	36,995,582	-100,030	-42%
COTE D'IVOIRE	134,453	99,223,087			134,453	
ERITREA	130,000	32,731,931	260,000	56,657,192	-130,000	-50%
FINLAND	126,194	30,956,299	93,093	20,426,159	33,101	36%
BRAZIL	116,389	77,383,015	45,321	39,393,793	71,068	157%
MEXICO	113,133	122,265,950	63,000	75,659,794	50,133	80%
ISRAEL	107,007	20,518,371	120,000	18,822,947	-12,993	-11%
NEW ZEALAND	103,600	32,982,113	102,830	33,801,975	770	1%
PUERTO RICO	59,142	45,058,046			59,142	
ROMANIA	48,000	6,520,622			48,000	
ESTONIA	46,700	22,284,882			46,700	
MALI	45,350	25,218,024	10,348	7,018,592	35,002	338%
IRAQ	41,282	9,138,685	196,926	29,864,064	-155,644	-79%
SPAIN	39,420	3,877,803	22,880	4,057,920	16,540	72%
SENEGAL	31,046	23,839,456	5,174	3,509,296	25,872	500%
LITHUANIA	25,905	13,103,148	7,224	3,421,196	18,681	259%
GABON	25,872	19,873,211			25,872	
COSTA RICA	22,588	13,283,992			22,588	
TAJIKISTAN	21,600	5,648,044	23,829	4,521,578	-2,229	-9%
TANZANIA	21,100	3,057,127	20,220	10,581,573	880	4%
ITALY	20,200	25,807,395	28,460	45,325,458	-8,260	-29%
TOGO	15,523	11,543,634			15,523	
FRANCE	14,475	11,051,253	8,165	5,844,721	6,310	77%
ICELAND	8,636	3,420,709			8,636	
BAHRAIN	8,496	1,213,848	16,048	2,841,478	-7,552	-47%
ANGOLA	6,168	830,677	24,058	3,682,809	-17,890	-74%
GUINEA	5,472	788,208	5,472	656,860	0	0%
CONGO	5,174	3,961,517	16,214	10,573,388	-11,039	-68%
MAURITANIA	5,174	3,905,950			5,174	
NIGER	5,174	3,905,950			5,174	
AUSTRALIA	2,335	2,427,475	1,665	2,056,943	670	40%
SOUTH KOREA	1,910	327,178	1,600	2,059,021	310	19%
BENIN	1,887	2,926,630			1,887	
SWAZILAND	611	493,072	1,642	1,176,155	-1,030	-63%
CZECH REPUBLIC	515	979,967	325	513,682	190	58%
CAMEROON			8,083	887,757	-8,083	-100%
GAMBIA			960	111,749	-960	-100%

ISLE OF MAN			24,000	3,725,869	-24,000	-100%
IVORY COAST			7,764	4,303,712	-7,764	-100%
MACAO			10,068	3,943,738	-10,068	-100%
MOROCCO			120,988	25,757,542	-120,988	-100%
TURKMENISTAN			51,685	9,578,526	-51,685	-100%
UGANDA			7,428	7,119,168	-7,428	-100%
VIETNAM			71,174	12,126,260	-71,174	-100%
<b>TOTAL</b>	<b>450,334,174</b>	<b>138,090,353,039</b>	<b>558,925,275</b>	<b>136,590,783,666</b>	<b>-108,591,101</b>	<b>-19%</b>