



TEA BOARD OF KENYA

Realizing the Tea Promise

KENYA TEA INDUSTRY PERFORMANCE HIGHLIGHTS FOR 2023

EXPORTS

During the year 2023, the total export volume increased by 16% (72.58 Million Kgs) from 450.33 Million Kgs recorded in 2022 to 522.92 Million Kgs. Owing to increased volume of exports coupled with favourable exchange rate to the USD and stable prices, the export earnings from tea reached a record of Kshs. 180.57 Billion from Kshs. 138.09 Billion the previous year. This represented a 31% increase in value of exports (Kshs. 42.48 Billion) and is the best earnings ever recorded by the tea industry over the years. During the year, the export unit price was slightly lower in dollar terms at USD 2.47 per Kg compared to USD 2.62 in the previous year. However, due to favourable exchange rate to the USD at 139.85 compared to 117.87 in the previous year, the unit price was much higher at Kshs. 345.32 compared to Kshs. 306.64 in the previous year.

During the year, Pakistan maintained its position as the leading export destination for Kenya tea having imported 209.59 Million Kgs, which was an increase of 15% compared to 181.98 Million Kgs imported during the year 2022. Pakistan imports from Kenya accounted for 40% of the total export volume, whose value was Kshs. 75.22 Billion.

During the year 2023, Kenya tea was shipped to ninety-two (92) export destinations compared eighty-two (82) in the year 2022. Apart from Pakistan, other key export destinations for Kenya tea were Egypt whose import volume

was 65.89 Million Kgs worth Kshs. 22.05 Billion; UK (46.14 Million Kgs valued at Kshs. 14.67 Billion); UAE (28.61 Million Kgs valued at Kshs. 10.15 Billion); Yemen (22.69 Million Kgs valued at Kshs. 9.11 Billion); Russia (18.34 Million Kgs valued at Kshs. 5.25 Billion); Iran (12.40 Million Kgs valued at Kshs. 4.28 Billion); Sudan (12.13 Million Kgs valued at Kshs. 2.92 Billion); Afghanistan (10.65 Million Kgs valued at Kshs. 3.69 Billion); and Poland (8.11 Million Kgs valued at Kshs. 2.36 Billion). The top ten export destinations, majority of which are traditional markets for Kenya tea accounted for 83.1% of Kenya tea export volume. Compared to the year 2022, more exports were recorded in traditional markets with the exception of UAE, Russia and Sudan, which for the quite a while have been facing market access challenges occasioned by the Russia-Ukraine crisis and internal conflict in Sudan, respectively. Cumulatively for the year 2023, the quantity of tea exports to Russia was down by 4% while in Sudan it was lower by about 39% compared to the year 2022. During the beginning of the year 2023, the Government through the Cabinet Secretary for Agriculture held a bi-lateral engagement with Pakistan Government which forestalled a similar challenge of forex that had characterized Pakistan following which forex allocation for importation of tea as an essential food item was prioritized. Going forward, similar bi-lateral engagements will be required with markets such as Russia, where the industry has been importing fertilizer for tea, as well as other markets such as Iran, Saudi Arabia, China and Turkey, where balance of payments is skewed against Kenya. Enhanced promotion activities will also be undertaken by TBK to maintain the presence of Kenya tea in traditional markets and ensure access into new and emerging markets.

Notably, Chad which is an emerging market for Kenya tea recorded significant increase in exports from Kenya. Prior to the conflict in Sudan, Chad which is a land locked country, would get its commodity supplies including tea from Sudan. However, due to the blockage of trade routes from Sudan, Chad has now shifted to Nigeria and Cameroon as alternative sources of commodity supplies and imports transshipment.

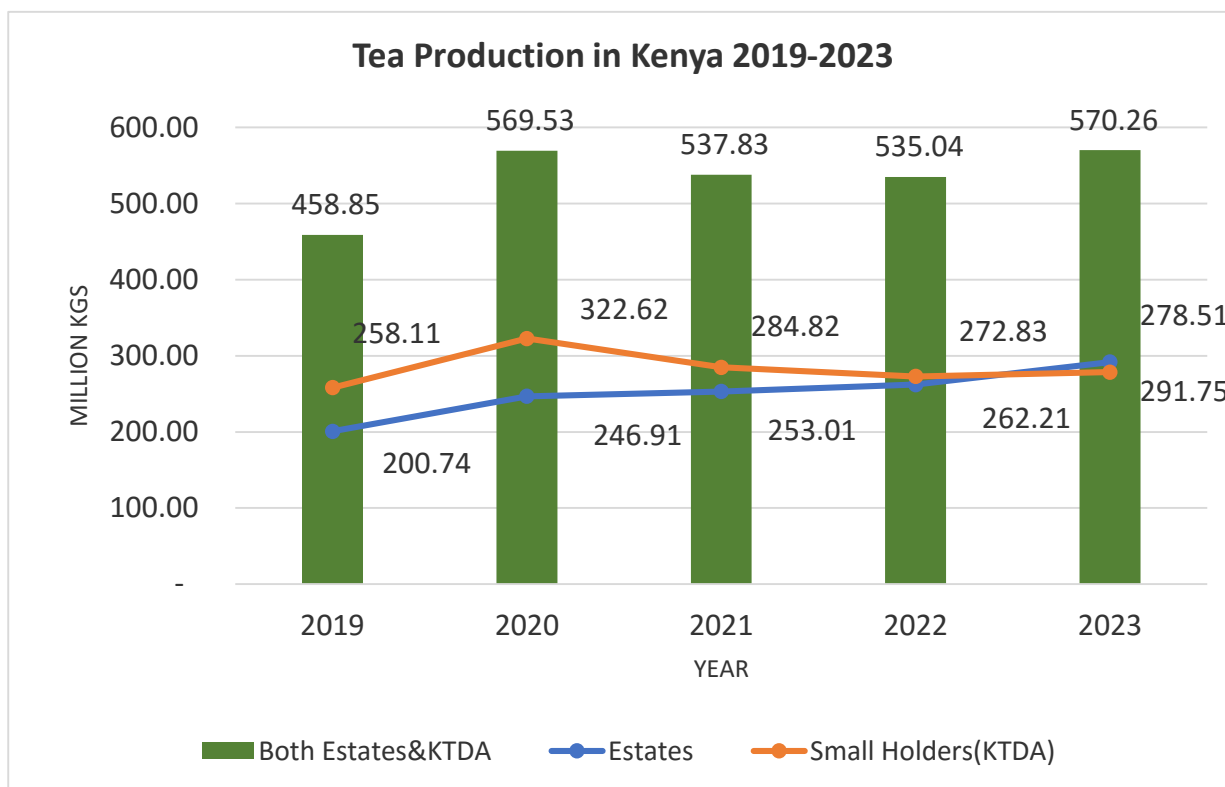
Similarly, there were exports to emerging markets such as South Sudan; Swaziland; Cameroon; Ethiopia; Congo DRC; Central African Republic; Senegal; Lebanon; Niger; Mauritania; Bahrain; Turkmenistan; Belarus; Guinea; Venezuela; El Salvador; and Benin. These markets usually import tea in value added form.



PRODUCTION

Cumulative output for the year 2023 was higher by 35.22 Million Kgs (6.58%) to stand at 570.26 Million Kgs against 535.04 Million Kgs for the year 2022. Notably, such a high crop of about 570 Million Kgs was only realized in the year 2020. Good crop was for 2023 was attributed to continued favourable weather conditions during the period between April to December during which “Above-normal” mean rainfall was recorded in the two rainfall seasons (“Long rains”-March to May and “Short rains”-Oct to December). Production was also boosted by application of fertilizer through the Government fertilizer subsidy

program to improve agricultural productivity. Other factors included licensing of additional processing factories in tea growing areas that had processing capacity potential with a view to reducing on the post-harvest losses.



Tea Production Trend (2023 Vis.-a-vis. 2022)

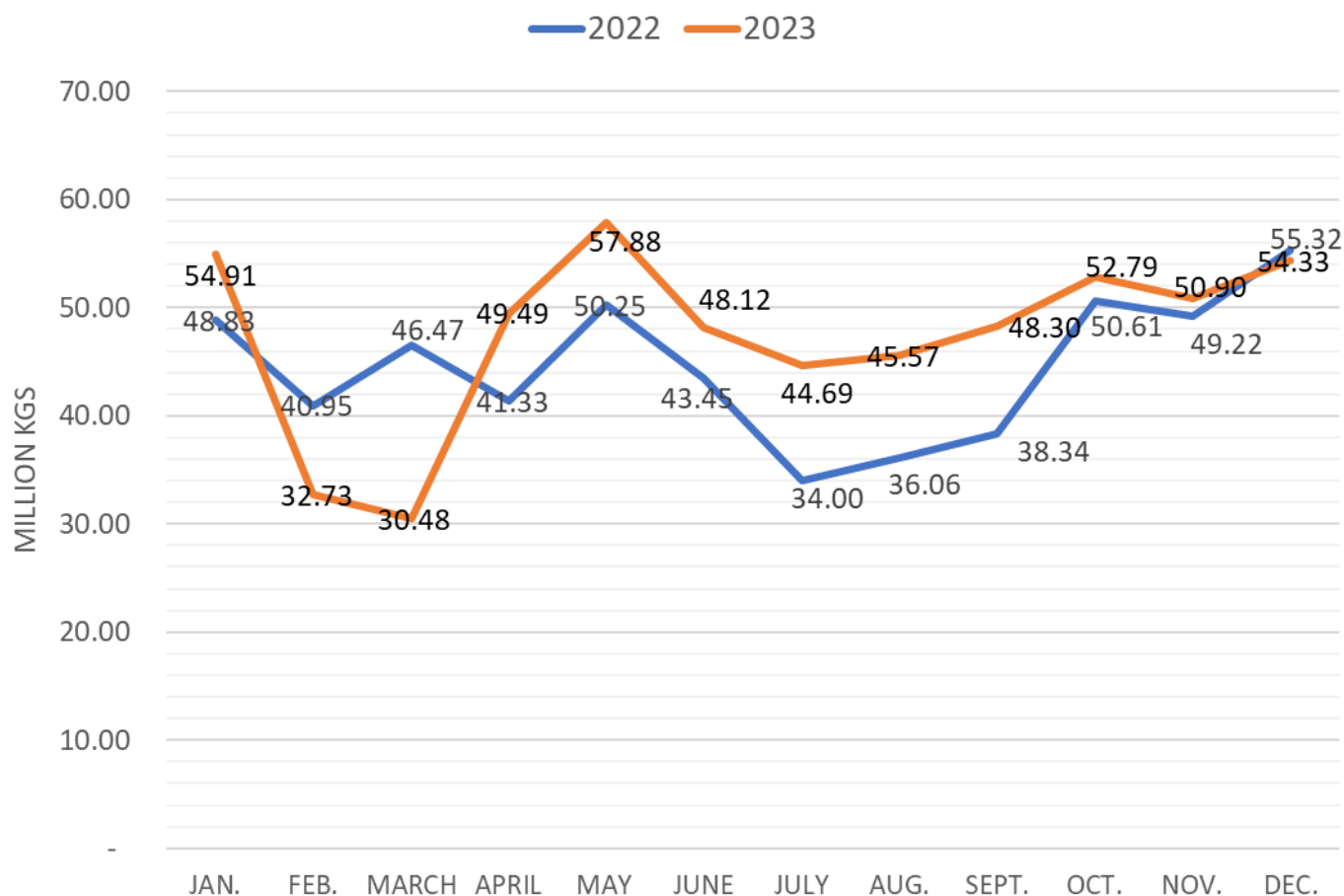


Table 1: Production by Sub-Sector and Region (2023 vis-à-vis 2022)

PRODUCTION (KGS)		Dec-23	December 2022	Variance	Var.(%)	Jan - Dec 2023	Jan - Dec 2022	Variance	Var.(%)
Plantation	West of Rift	23,122,081	22,809,746	312,335	1.37%	270,281,129	242,922,827	27,358,302	11.26%
	East of Rift	2,315,604	2,431,901	116,297	-4.78%	21,466,819	19,294,506	2,172,313	11.26%
	Total	25,437,685	25,241,647	196,038	0.78%	291,747,948	262,217,332	29,530,615	11.26%
Smallholder	West of Rift	12,173,915	10,592,893	1,581,022	14.93%	120,541,828	118,937,029	1,604,799	1.35%
	East of Rift	16,724,363	19,488,074	2,763,711	14.18%	157,970,403	153,889,334	4,081,068	2.65%
	Total	28,898,279	30,080,967	1,182,689	-3.93%	278,512,230	272,826,363	5,685,867	2.08%
Plantation & Smallholder	West of Rift	35,295,997	33,402,639	1,893,357	5.67%	390,822,957	361,859,856	28,963,101	8.00%
	East of Rift	19,039,967	21,919,975	2,880,008	13.14%	179,437,221	173,183,840	6,253,381	3.61%
	Total	54,335,964	55,322,615	986,651	-1.78%	570,260,178	535,043,695	35,216,483	6.58%

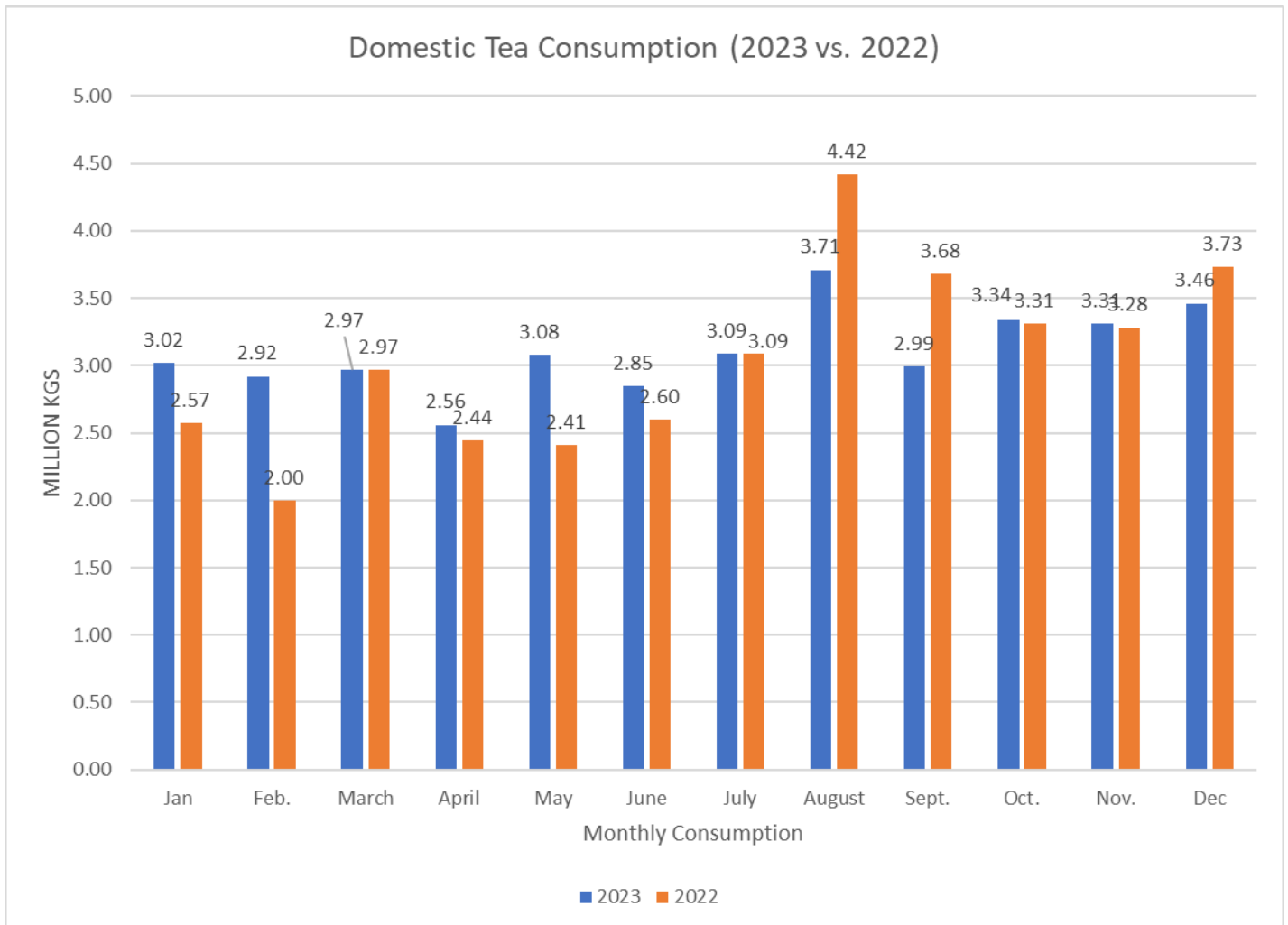
TEA SALES

AUCTION

During the year 2023, Kenya tea offered at the auction stood at 592.29 Million Kgs, which was higher compared to 506.47 Million Kgs in 2022. However, the absorption rate for tea on offer at the Auction was lower at an average of 60% compared to 76% in the previous year and 84% in 2021 with the most affected teas being from factories in the West of Rift for most of the grades and BP1 grade across all factories following low market penetration in Russia and Iran markets. Consequently, the average auction price for Kenya tea in the year 2023 was lower at 2.24 USD per Kg against 2.49 USD realized in 2022 but higher compared to 2.10 USD in 2021. Lower absorption and lower prices was attributable to increased volume of lower quality teas offered by the tea factories at the auction. For each specific grade, the price and absorption follows demand and quality (leaf appearance and leaf infusion as well as liquoring characteristics). For smallholder tea factories, whose quality categorization ranges from “good medium” to “best”, tea offered for sale fetched relatively higher prices at an average of 2.73 USD per Kg for the main grades against 2.72 USD recorded in 2022. To reduce the supply of lower quality teas to the auction, TBK has been registering the Greenleaf transporters to the factory and is developing the standards of Greenleaf acceptable for processing. Apart from Greenleaf standards, the auction prices have been affected by less demand occasioned by continued effect of economic recession facing the global markets since the second quarter of 2022. The global recession, which is largely attributed to effects of the ongoing Russia-Ukraine crisis and the recent armed conflict in Sudan has continued to affect tea imports in some of the main markets for Kenya tea especially Pakistan, Egypt, Sudan, Russia and Iran. During the year, Sudan, Russia and Iran maintained low buying participation at the auction. However, as an emerging market, South Sudan recorded improved buying support for tea at the auction.

LOCAL TEA SALES

During the year 2023, cumulative sales in the local market was slightly higher at 37.3 Million Kgs against 36.50 Million Kgs for 2022 but lower compared to 38.42 Million Kgs for the year 2021. The sale of tea in the domestic market generated Kshs. 16.4 Billion.



29TH FEBRUARY 2024

Table 3: Kenya Tea Exports by Destination (Jan.- Dec. 2023 vis-à-vis Jan.- Dec. 2022)

	DESTINATION	2023-QUANTITY	VALUE	2022-QUANTITY	VALUE	QUANTITY	%AGE	Export
		KGS	KSHS	KGS	KSHS	DIFF.	VARIANC E	Share
1	PAKISTAN	209,593,999	75,220,469,074	181,980,074	57,511,382,743	27,613,925	15%	40.1%
2	EGYPT	65,894,638	22,054,416,948	64,998,938	20,191,631,976	895,700	1%	12.6%
3	UK	46,143,349	14,673,029,160	38,617,720	10,670,207,547	7,525,629	19%	8.8%
4	UAE	28,608,035	10,151,543,464	28,955,732	8,788,196,932	- 347,697	-1%	5.5%
5	YEMEN	22,692,263	9,119,381,642	16,797,852	5,812,866,863	5,894,412	35%	4.3%
6	RUSSIA	18,346,818	5,258,283,148	19,124,830	5,101,163,439	- 778,012	-4%	3.5%
7	IRAN	12,409,616	4,289,244,380	4,889,495	1,660,898,658	7,520,121	154%	2.4%
8	SUDAN	12,134,689	2,921,784,050	20,019,217	4,521,282,904	- 7,884,527	-39%	2.3%
9	AFGHANISTAN	10,652,769	3,692,229,521	7,114,948	2,274,488,302	3,537,821	50%	2.0%
10	POLAND	8,114,462	2,360,614,040	6,867,004	1,771,034,155	1,247,458	18%	1.6%
11	SAUDI ARABIA	7,830,894	2,995,016,109	6,080,706	2,017,982,625	1,750,188	29%	1.5%
12	EPZ	6,719,137	2,384,829,924			6,719,137		1.3%
13	KAZAKHSTAN	6,578,575	2,553,676,149	7,577,693	2,407,028,881	- 999,117	-13%	1.3%
14	JORDAN	6,525,040	2,617,872,327	3,744,100	1,299,959,084	2,780,940	74%	1.2%
15	IRELAND	5,905,500	3,427,855,134	5,166,708	2,266,006,786	738,792	14%	1.1%
16	INDIA	5,263,750	1,732,581,697	2,343,239	749,590,008	2,920,511	125%	1.0%
17	CHINA	4,625,876	1,551,588,813	1,810,104	562,347,936	2,815,772	156%	0.9%
18	SOMALIA	3,816,854	628,375,499	1,494,541	224,038,470	2,322,314	155%	0.7%
19	SWITZERLAND	3,461,965	836,217,706	2,525,873	615,384,830	936,092	37%	0.7%
20	MALAYSIA	3,373,952	1,102,942,826	2,239,926	727,484,450	1,134,026	51%	0.6%
21	NIGERIA	3,011,722	827,743,501	4,265,957	1,146,521,503	- 1,254,235	-29%	0.6%
22	CHAD	2,777,953	505,162,573	157,380	19,548,109	2,620,573	1665%	0.5%
23	JAPAN	2,695,684	1,013,861,708	2,614,262	936,290,356	81,422	3%	0.5%
24	UKRAINE	2,635,929	668,728,899	1,796,128	398,648,956	839,801	47%	0.5%
25	USA	2,206,776	1,163,320,103	2,603,772	1,330,729,917	- 396,996	-15%	0.4%
26	OMAN	1,792,162	512,108,571	766,464	176,025,421	1,025,698	134%	0.3%
27	NETHERLANDS	1,765,564	496,525,522	1,395,072	354,942,955	370,492	27%	0.3%
28	TURKEY	1,527,290	504,133,838	1,366,047	373,455,220	161,243	12%	0.3%
29	SOUTH AFRICA	1,401,486	411,049,573	1,106,894	294,366,423	294,592	27%	0.3%
30	QATAR	1,328,402	376,426,693	781,761	201,867,631	546,641	70%	0.3%
31	GERMANY	1,311,748	344,979,285	799,911	246,308,100	511,837	64%	0.3%
32	SRI LANKA	1,032,938	240,328,777	485,722	94,818,622	547,216	113%	0.2%
33	CANADA	1,024,112	381,398,515	441,644	154,209,975	582,468	132%	0.2%
34	UZBEKISTAN	973,888	347,522,044	857,066	210,406,177	116,822	14%	0.2%
35	TAIWAN	758,545	222,405,709	305,295	108,396,174	453,250	148%	0.1%
36	BANGLADESH	614,819	106,208,236	741,600	128,013,178	- 126,781	-17%	0.1%
37	PERU	528,415	151,253,932	995,912	276,641,304	- 467,497	-47%	0.1%

3								
8	MAURITIUS	463,494	130,666,554	451,423	104,993,566	12,071	3%	0.1%
3								
9	SOUTH SUDAN	457,852	94,460,703			457,852		0.1%
4								
0	SPAIN	438,274	79,467,179	39,420	3,877,803	398,854	1012%	0.1%
4								
1	DJIBOUTI	380,791	111,092,337	192,850	55,032,841	187,941	97%	0.1%
4								
2	HONG KONG	316,923	68,619,243	139,080	26,289,631	177,843	128%	0.1%
4								
3	ERITREA	308,190	95,177,263	130,000	32,731,931	178,190	137%	0.1%
4								
4	INDONESIA	300,405	108,228,472	2,537,786	745,658,627	- 2,237,381	-88%	0.1%
4								
5	COTE D'IVOIRE	289,854	275,029,148	134,453	99,223,087	155,401	116%	0.1%
4								
6	MYANMAR	280,936	82,737,865	187,728	63,628,719	93,208	50%	0.1%
4								
7	SINGAPORE	262,281	194,269,232	206,550	169,386,466	55,731	27%	0.1%
4								
8	BURKINA FASO	261,205	233,224,880	186,310	125,666,005	74,895	40%	0.0%
4								
9	KYRGYSTAN	250,500	117,213,747	261,224	88,580,087	- 10,724	-4%	0.0%
5								
0	GHANA	248,727	52,576,508	423,367	111,160,152	- 174,640	-41%	0.0%
5								
1	ZAMBIA	244,342	116,376,424	148,900	28,715,190	95,442	64%	0.0%
5								
2	ISRAEL	221,462	40,781,349	107,007	20,518,371	114,455	107%	0.0%
5								
3	ROMANIA	216,515	69,828,980	48,000	6,520,622	168,515	351%	0.0%
5								
4	VIET NAM	215,409	43,618,085			215,409		0.0%
5								
5	SWAZILAND	206,274	66,358,363	611	493,072	205,663	33649%	0.0%
5								
6	IRAQ	195,461	52,104,902	41,282	9,138,685	154,179	373%	0.0%
5								
7	AZERBAIJAN	183,400	81,560,017	165,270	58,746,689	18,130	11%	0.0%
5								
8	TANZANIA	139,572	93,332,665	21,100	3,057,127	118,472	561%	0.0%
5								
9	AUSTRALIA	123,670	27,569,804	2,335	2,427,475	121,335	5196%	0.0%
6								
0	CAMEROON	80,603	12,346,893			80,603		0.0%
6								
1	CHILE	76,301	45,113,119	243,569	207,781,192	- 167,268	-69%	0.0%
6								
2	MALI	69,902	47,492,235	45,350	25,218,024	24,551	54%	0.0%
6								
3	NEW ZEALAND	60,569	24,507,538	103,600	32,982,113	- 43,031	-42%	0.0%
6								
4	ETHIOPIA	58,114	8,727,674			58,114		0.0%
6								
5	CONGO DRC	51,746	51,970,748	5,174	3,961,517	46,572	900%	0.0%
6								
6	CENTRAL AFRICAN REPUBLIC	48,694	7,281,195			48,694		0.0%
6								
7	SENEGAL	47,237	43,831,125	31,046	23,839,456	16,191	52%	0.0%
6								
8	MEXICO	30,221	49,336,927	113,133	122,265,950	- 82,912	-73%	0.0%
6								
9	ITALY	29,293	59,063,007	20,200	25,807,395	9,093	45%	0.0%
7								
0	LEBANON	26,840	11,222,339			26,840		0.0%
7								
1	NIGER	26,570	12,029,585	5,174	3,905,950	21,395	413%	0.0%
7								
2	MAURITANIA	25,800	7,055,504	5,174	3,905,950	20,626	399%	0.0%
7								
3	BRAZIL	25,139	18,396,501	116,389	77,383,015	- 91,250	-78%	0.0%
7								
4	TAJIKISTAN	24,000	8,297,557	21,600	5,648,044	2,400	11%	0.0%
7								
5	BAHRAIN	20,729	3,879,412	8,496	1,213,848	12,233	144%	0.0%
7								
6	TURKMENISTAN	20,100	3,610,760			20,100		0.0%
7								
7	BELARUS	19,840	7,794,723			19,840		0.0%

7								
8	GUINEA	17,056	16,315,597	5,472	788,208	11,584	212%	0.0%
7	VENEZUELA	15,000	6,108,879			15,000		0.0%
8	EL SALVADOR	14,648	3,340,458			14,648		0.0%
8	GABON	10,097	13,420,449	25,872	19,873,211	-	-61%	0.0%
8	BENIN	6,708	5,438,316	1,887	2,926,630	4,821	255%	0.0%
8	TOGO	5,175	5,259,131	15,523	11,543,634	-	-67%	0.0%
8	GAMBIA	5,174	5,353,332			5,174		0.0%
8	UGANDA	4,589	4,926,127			4,589		0.0%
8	MALTA	3,360	1,953,779			3,360		0.0%
8	MALAWI	3,096	3,249,763			3,096		0.0%
8	ANGOLA	1,200	420,632	6,168	830,677	-	-81%	0.0%
8	HUNGARY	1,000	1,000,982			1,000		0.0%
9	FRANCE	744	1,302,240	14,475	11,051,253	-	-95%	0.0%
9	CZECH REPUBLIC	297	539,204	515	979,967	-	-42%	0.0%
9	SOUTH KOREA	200	557,655	1,910	327,178	-	-90%	0.0%
	ALBANIA	-	-			-		0.0%
	LITHUANIA	-	-	25,905	13,103,148	-	-100%	0.0%
	COSTA RICA			22,588	13,283,992	-	-100%	0.0%
	ESTONIA			46,700	22,284,882	-	-100%	0.0%
	FINLAND			126,194	30,956,299	-	-100%	0.0%
	ICELAND			8,636	3,420,709	-	-100%	0.0%
	PUERTO RICO			59,142	45,058,046	-	-100%	0.0%
								0.0%
	TOTAL	522,915,190.58	180,570,546,196.12	450,334,174.41	138,090,353,039.47	72,581,016	16%	100.0%