



TEA BOARD OF KENYA

Realizing the Tea Promise

KENYA TEA INDUSTRY PERFORMANCE HIGHLIGHTS FOR DECEMBER 2021 AND YEAR 2021

PRODUCTION

Tea production for the month of December 2021 was much more improved to 52.52 Million Kgs compared to 50.71 Million Kgs in November and 48.95 Million Kgs recorded in October. Improved production in the month of December compared to preceding months of the year was occasioned by moderate precipitation recorded in some parts of the country. During the month of December 2021, moderate rainfall was received in the Eastern highlands with some areas receiving rainfall that was above 75% of their December long term mean (LTM). Within the tea growing region in the Eastern highlands, Embu/Meru recorded rainfall amounts of between 45-134 mm daily while an average of 22-85 mm was recorded in Kiambu and 12-62 mm in Muranga/Nyeri/Kirinyaga.

Notably, Production for December 2021 was slightly lower compared to 54.11 Million Kgs recorded in the month of December 2020 but was within the average seasonal output usually recorded within the month. Lower production was attributed to the fact that the Western highlands of the country received depressed rainfall that was below 75% of their LTM. Within the Western highlands, tea growing areas in Nandi recorded the least amounts of rainfall of between 2-13 mm daily. Similarly, lower rainfall ranging between 9-19 mm daily was recorded in Nyamira/Kisii while Kericho recorded precipitation of between 10-27.5 mm daily. However, Bomet received moderate rainfall of between 7-47 mm.

Remarkably, the rainfall amounts recorded in December 2021 in the East and West of Rift, respectively was lower than that of December 2020. Accordingly, production within the East of Rift was lower at 19.53 Million Kgs compared to 20.52 Million Kgs



recorded in December 2020. Similarly, in the West of Rift, production for the month was lower at 32.99 Million Kgs in comparison with 33.88 Million Kgs recorded in 2020. As a result of significantly lower rainfall in some parts of the West of Rift especially in Nandi, production within the Plantation sub-sector declined to 22.35 Million Kgs compared to 24.34 Million Kgs recorded in 2020.

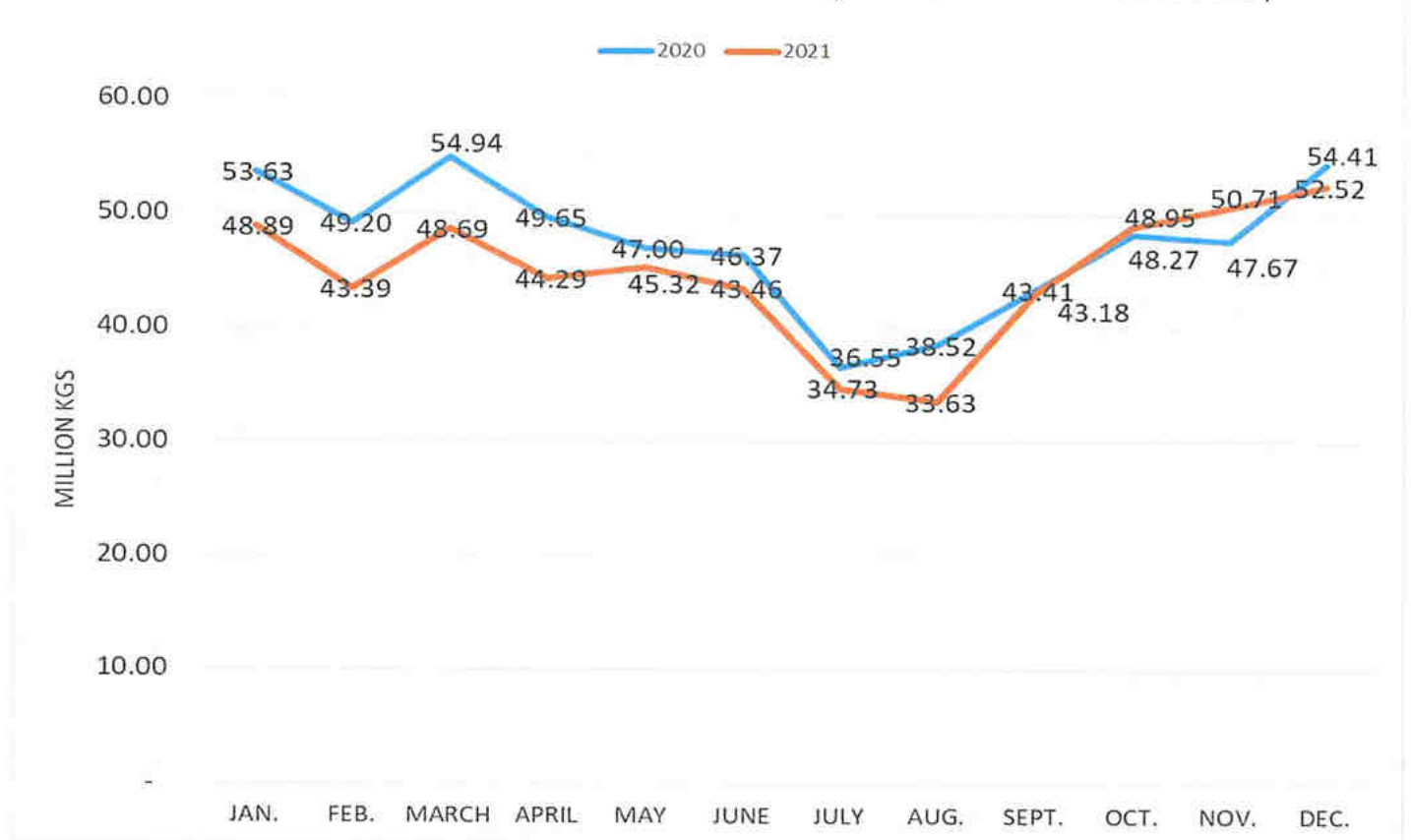
However, within the smallholder sub-sector, there was a marginal increase in production to 30.17 Million Kgs from 30.00 Million Kgs recorded during the same period of last year. Improved production in the smallholder sub-sector was attributed to the fact that most of the tea growing areas in both the East and West of the Rift, respectively where the sub-sector has wider coverage received moderate rainfall amounts.

For the year 2021, cumulative production was significantly lower by 31.70 Million Kgs to stand at 537.83 Million Kgs against 569.53 Million Kgs recorded during the year 2020. Lower production is attributable to unfavourable weather conditions experienced in the first eight months of the year and delayed onset as well as poorly distributed rainfall during the "Short" Rainfall Season. According to the report by Kenya Metrological department, the rainfall distribution both in time and space was poor throughout the country especially in the months of October and November and also in December over the western highlands of the country. The poor rainfall performance in the country was due to "La Nina" weather conditions linked to cooler than average Sea Surface Temperatures (SSTs) in the West, Central and Eastern Equatorial Pacific Ocean and warmer than average Sea Surface Temperatures (SSTs) in the western Equatorial Pacific Ocean.

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

Sub-Sector	Region	Dec.-21	Dec.- 20	Variance	Var. (%)	Jan. – Dec. 2021	Jan. – Dec. 2020	Variance +/-	Var. (%)
Plantation	West of Rift	20,715,133	22,270,324	- 1,555,191	-6.98%	234,728,728	226,961,739	7,766,989	3.42%
	East of Rift	1,635,035	2,073,461	- 438,426	-21.14%	18,285,532	19,952,376	- 1,666,844	-8.35%
	Total	22,350,168	24,343,785	- 1,993,617	-8.19%	253,014,260	246,914,115	6,100,145	2.47%
Smallholder	West of Rift	12,279,780	11,612,333	667,447	5.75%	123,504,944	141,519,396	- 18,014,452	-12.73%
	East of Rift	17,896,408	18,455,817	- 559,409	-3.03%	161,313,636	181,101,966	- 19,788,330	-10.93%
	Total	30,176,188	30,068,150	108,038	0.36%	284,818,579	322,621,361	- 37,802,782	-11.72%
Plantation & Smallholder	West of Rift	32,994,913	33,882,657	- 887,744	-2.62%	358,233,672	368,481,134	- 10,247,462	-2.78%
	East of Rift	19,531,443	20,529,278	- 997,835	-4.86%	179,599,167	201,054,342	- 21,455,174	-10.67%
	Total	52,526,356	54,411,935	- 1,885,579	-3.47%	537,832,839	569,535,476	- 31,702,637	-5.57%

Tea Production Trend (2021 Vis-a-vis. 2020)

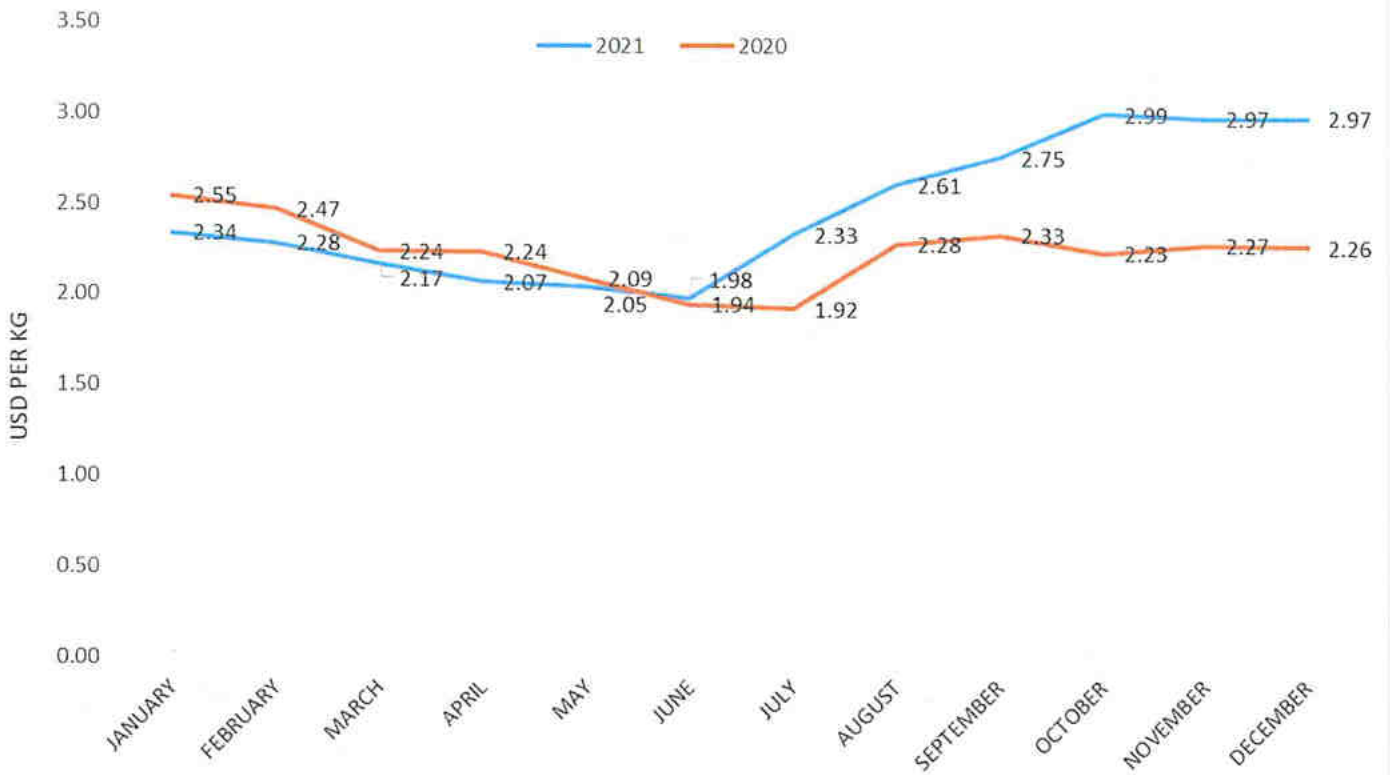


TEA SALES

AUCTION

During the month of December 2021, auction sales volume for Kenya tea stood at 34.25 Million Kgs, which was higher compared to 31.74 Million Kgs sold in the month of November 2021 and 31.41 Million Kgs recorded in the corresponding month of 2020. The average monthly auction price for Kenyan tea was much higher at 2.62 USD per Kg against 1.92 USD for the same period of 2020 and 2.22 USD for the same period of 2019. The average price was also higher compared to 2.48 USD recorded in the month of November. During the month of December, 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 December, tea offered for sale by the smallholder tea factories fetched an average price of 2.97 USD per Kg for the main grades from an average price of 2.33 USD in July.

Average Prices for KTDA Teas-2021



For all the tea offered for sale at the auction during the month, “Best” category of CTC leaf grades fetched higher prices at between 2.65 to 5.01 USD per Kg for the BP1s and 3.08 to 3.82 USD for the PF1s while tea prices for a similar category of the dust grades ranged between 3.15 to 3.81 USD for PDust and 3.16 to 3.63 USD for Dust1. Notably, well sorted grades and those with brighter liquors attracted more competitive bids and considerably higher prices. This signifies that there is potential for attainment of higher prices on improved quality. However, during the last sales of the month Best BP1s in the market attracted slightly lower bid price compared to the previous month due to social-economic shocks experienced in some of the target markets that have higher preferences for BP1 grade. However, there was generally good demand especially for lower medium and plainer PF1s, PDUSTs and DUSTIs which were well-competed for. During the month of December, buyers representing most of the markets were generally active. Notably, there was no Orthodox tea grades on offer at the auction during the month.

For the year 2021, the average auction price for Kenyan CTC tea stood at 2.10 USD per Kg, which was slightly higher compared to 2.01 USD for the year 2020 but slightly lower in comparison with 2.20 USD recorded in 2019. Lower auction prices recorded in 2021 was attributable to poor auction performance during the first seven months of the year.

EXPORTS

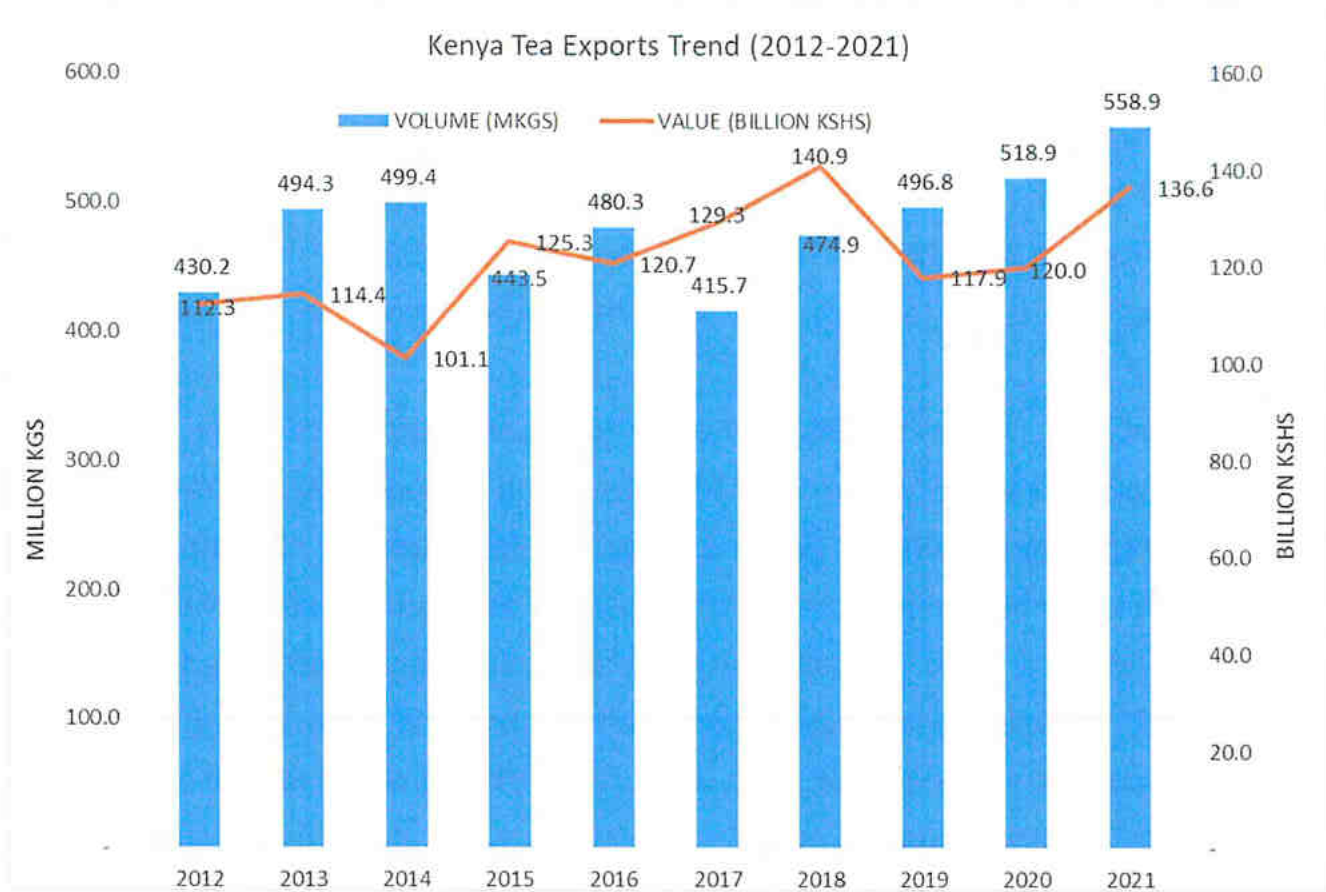
The total export volume for the month of December 2021 was lower by 7% to stand at 45.93 Million Kgs against 49.15 Million Kgs recorded in the same period of 2020. However, it was more or less at par with the export volume for the month of November 2021.

During the month of December 2021, Kenya tea was shipped to forty (40) export destinations compared to forty seven (47) for the same period of 2020. Amongst these markets, Pakistan maintained the leading export destination for Kenyan tea having imported significantly higher volume at 18.62 Million Kgs compared 16.78 Million Kgs for the same period of 2020. Imports by Pakistan from Kenya accounted for 41% of the total export volume. Other key export destinations for Kenyan tea were Egypt (9.25 Million Kgs), UK (3.27 Million Kgs), UAE (2.84 Million Kgs), Russia (2.12 Million Kgs), Sudan (2.04 Million Kgs), Yemen (1.29 Million Kgs), Kazakhstan (0.800 Million Kgs), Poland (0.527 Million Kgs), and Jordan (0.478 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 Pakistan, Sudan, Jordan, Saudi Arabia and Afghanistan. There were also enhanced shipments to emerging markets such as Iran, Malaysia, Switzerland, Turkey, and U.S.A as well as to seasonal markets such as Peru and Chad.

Cumulatively for the year 2021, the total export volume was higher by 8% from 518.92 Million Kgs recorded in 2020 to 558.92 Million Kgs while the export earnings rose to Kshs. 136 Billion compared to 120 Billion in 2020. Significant increase in export earnings was attributed to higher prices occasioned by setting up of the Minimum reserve price for Kenya tea at the auction in the month of July coupled with depreciation of the Kenya Shilling against the USD. During the last quarter of 2021, the Kenya Shilling depreciated gradually from 109 to the USD to 113. Better prices were also boosted by enhanced demand following gradual re-opening of most economies after adoption of vaccination as a measure to contain the spread of COVID-19 Pandemic.

Improved prices and earnings are expected in the year 2022 as most economies continue to recover from the impact of COVID-19 Pandemic.



LOCAL TEA SALES

Local tea sales for December 2021 was 3.87 Million Kgs against 3.03 Million Kgs recorded during the corresponding month of 2020 while cumulative tea sales for the year 2021 stood at 38.42 Million Kgs compared to 40.34 Million Kgs for the same period of 2020.

2nd February 2022

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

DESTINATION	2021- QUANTITY KGS	2020 - QUANTITY KGS	QUANTITY VARIANCE KGS	%AGE VARIANCE
PAKISTAN	18,649,259.68	16,786,799	1,862,460	11%
EGYPT	9,252,239.00	10,198,906	-946,667	-9%
UK	3,274,597.00	3,758,547	-483,950	-13%
UAE	2,844,459.00	2,332,589	511,870	22%
RUSSIA	2,126,593.00	4,044,132	-1,917,539	-47%
SUDAN	2,043,124.55	1,449,254	593,870	41%
YEMEN	1,297,054.00	1,941,612	-644,558	-33%
KAZAKHSTAN	800,236.00	1,461,476	-661,240	-45%
POLAND	527,184.00	864,731	-337,547	-39%
JORDAN	478,500.00	-	478,500	
IRAN	369,750.00	50,316	319,434	635%
MALAYSIA	350,762.00	210,139	140,623	67%
TURKEY	321,708.00	258,397	63,311	25%
SAUDI ARABIA	299,414.00	231,377	68,037	29%
NIGERIA	298,863.00	1,023,248	-724,385	-71%
INDONESIA	288,500.00	308,382	-19,882	-6%
IRELAND	276,917.00	368,039	-91,122	-25%
JAPAN	270,132.00	369,174	-99,042	-27%
INDIA	260,438.00	554,362	-293,924	-53%
PERU	250,263.00		250,263	#DIV/0!
USA	249,114.00	174,203	74,911	43%
SWITZERLAND	220,578.00	92,824	127,754	138%
AFGHANISTAN	204,445.00	172,962	31,483	18%
CHINA	192,475.00	452,387	-259,912	-57%
UKRAINE	183,755.00	295,594	-111,839	-38%
CHAD	99,700.00	14,528	85,172	586%
GERMANY	71,400.00	119,200	-47,800	-40%
SRI LANKA	66,875.00	369,060	-302,185	-82%
GHANA	61,854.00	38,400	23,454	61%
NETHERLANDS	58,000.00	321,516	-263,516	-82%
OMAN	53,600.00	49,782	3,818	8%
SOMALIA	51,700.00	238,794	-187,094	-78%
TAIWAN	36,560.00	7,140	29,420	412%
ISRAEL	24,000.00	32,247	-8,247	-26%
UZBEKISTAN	24,000.00	113,910	-89,910	-79%
FINLAND	21,615.00	21,615	0	0%
SINGAPORE	20,400.00	15,000	5,400	36%
IRAQ	7,600.00		7,600	#DIV/0!
BAHRAIN	3,636.00		3,636	#DIV/0!
NEW ZEALAND	430.00		430	#DIV/0!
KYRGYZSTAN		65,246	-65,246	-100%
BANGLADESH		55,200	-55,200	-100%
SOUTH AFRICA		52,700	-52,700	-100%
MYANMAR		52,000	-52,000	-100%
AZERBAIJAN		41,751	-41,751	-100%
CANADA		38,600	-38,600	-100%
BELGIUM		24,680	-24,680	-100%
ANGOLA		24,000	-24,000	-100%
HONG KONG		22,828	-22,828	-100%

MAURITIUS		20,000	-20,000	-100%
QATAR		12,200	-12,200	-100%
MEXICO		9,000	-9,000	-100%
AUSTRALIA			0	#DIV/0!
CHILE			0	#DIV/0!
ERITREA			0	#DIV/0!
FRANCE			0	#DIV/0!
GEORGIA			0	#DIV/0!
SPAIN			0	#DIV/0!
			0	#DIV/0!
TOTAL	45,931,730.23	49,158,847	-3,227,117	-7%

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

DESTINATION	QUANTITY	VALUE	QUANTITY	VALUE	QUANTITY	%AGE
	KGS	KSHS	KGS	KSHS	DIFF.	VARIANCE
PAKISTAN	212,506,120	54,879,992,848	186,135,080	43,231,872,299	26,371,040	14%
EGYPT	98,515,709	23,324,565,171	91,852,497	19,983,606,783	6,663,212	7%
UK	49,062,965	10,821,172,315	50,192,607	11,233,823,740	-1,129,642	-2%
UAE	29,657,850	7,891,040,458	24,630,854	5,207,315,093	5,026,996	20%
RUSSIA	29,612,103	6,253,467,718	25,146,877	5,024,249,565	4,465,226	18%
SUDAN	28,172,087	5,039,525,846	20,977,570	5,111,783,557	7,194,516	34%
YEMEN	15,663,468	4,401,366,979	15,868,535	4,281,579,357	-205,067	-1%
KAZAKHSTAN	11,729,790	3,472,621,644	11,341,578	3,286,453,970	388,212	3%
POLAND	9,074,514	1,940,804,327	8,316,988	1,984,467,056	757,526	9%
IRAN	6,236,729	1,744,362,650	3,152,464	647,087,909	3,084,265	98%
NIGERIA	5,611,895	1,132,372,438	5,742,624	1,253,569,967	-130,729	-2%
CHINA	5,131,324	1,205,116,049	4,668,655	1,502,940,405	462,669	10%
IRELAND	4,933,247	1,684,621,533	3,949,391	987,098,910	983,856	25%
INDIA	4,679,815	1,056,257,594	6,096,320	1,646,392,722	-1,416,505	-23%
SWITZERLAND	4,679,520	945,436,259	2,315,801	441,471,391	2,363,719	102%
USA	3,536,612	1,398,985,462	2,972,688	751,342,954	563,924	19%
JAPAN	3,394,499	1,042,436,218	2,511,270	570,511,326	883,229	35%
SAUDI ARABIA	3,331,197	889,850,451	7,194,819	1,730,131,388	-3,863,622	-54%
NETHERLANDS	2,910,011	545,993,432	2,686,739	620,437,896	223,272	8%
UKRAINE	2,641,712	536,151,814	1,899,922	499,598,737	741,790	39%
MALAYSIA	2,473,139	542,157,486	2,686,477	518,874,404	-213,338	-8%
INDONESIA	2,413,293	585,052,688	2,695,329	541,905,613	-282,036	-10%
JORDAN	2,378,500	743,116,468	7,965,355	2,131,463,555	-5,586,855	-70%
AFGHANSTAN	2,334,856	585,147,439	4,195,579	1,080,515,931	-1,860,723	-44%
TURKEY	2,266,123	532,844,828	2,930,368	970,252,474	-664,245	-23%
SRI LANKA	1,746,509	272,335,621	1,317,162	217,967,641	429,347	33%
UZBEKISTAN	1,387,818	332,546,255	2,454,277	477,203,015	-1,066,459	-43%
QATAR	1,272,206	255,014,154	1,106,121	222,185,725	166,085	15%
GERMANY	1,248,495	294,140,215	4,478,675	992,095,075	-3,230,180	-72%
SOUTH AFRICA	1,203,522	211,531,197	1,021,040	202,879,864	182,482	18%
OMAN	1,193,684	263,246,521	604,753	99,020,780	588,931	97%
SOMALIA	1,160,747	130,943,286	2,377,932	382,211,562	-1,217,185	-51%
CHAD	1,004,553	111,938,357	504,556	91,222,902	499,997	99%

CANADA	742,809	188,954,974	1,214,277	297,416,623	-471,468	-39%
BANGLADESH	694,800	92,620,558	478,678	101,395,591	216,122	45%
GHANA	514,846	107,322,980	582,840	101,364,117	-67,994	-12%
TAIWAN	405,220	95,717,418	305,850	69,974,531	99,370	32%
KRYGZSTAN	400,276	109,696,566	151,383	49,546,942	248,893	164%
PERU	367,343	90,252,157	75,516	13,119,152	291,827	386%
MAURITIUS	317,400	68,579,178	361,146	81,339,299	-43,746	-12%
ERITREA	260,000	56,657,192	131,040	24,477,781	128,960	98%
DJIBOUTI	258,444	68,096,155	289,872	63,251,831	-31,428	-11%
HONG KONG	239,110	36,995,582	71,378	23,992,169	167,732	235%
IRAQ	196,926	29,864,064	6,676	1,230,343	190,250	2850%
MYANMAR	187,067	54,892,257	254,889	69,343,288	-67,822	-27%
SINGAPORE	156,785	132,946,037	152,656	105,318,281	4,129	3%
MOROCCO	120,988	25,757,542	109,340	22,054,802	11,648	11%
ISRAEL	120,000	18,822,947	101,591	22,428,100	18,409	18%
NEW ZEALAND	102,830	33,801,975	87,864	20,227,053	14,966	17%
AZERBAIJAN	97,787	26,504,648	127,821	23,594,066	-30,034	-23%
FINLAND	93,093	20,426,159	40,015	31,162,844	53,078	133%
VIETNAM	71,174	12,126,260	69,308	19,017,779	1,866	3%
MEXICO	63,000	75,659,794	16,579	14,194,705	46,421	280%
TURKMENISTAN	51,685	9,578,526			51,685	#DIV/0!
BRAZIL	45,321	39,393,793	20,564	3,328,590	24,757	120%
ITALY	28,460	45,325,458	33,320	34,604,572	-4,860	-15%
ANGOLA	24,058	3,682,809	24,000	4,193,709	58	0%
ISLE OF MAN	24,000	3,725,869	25,025	3,010,191	-1,025	-4%
TAJIKISTAN	23,829	4,521,578	16,098	4,421,101	7,731	48%
SPAIN	22,880	4,057,920	4,896	912,645	17,984	367%
TANZANIA	20,220	10,581,573	-	-	20,220	#DIV/0!
CONGO	16,214	10,573,388	-	-	16,214	#DIV/0!
BAHRAIN	16,048	2,841,478	-	-	16,048	#DIV/0!
MALI	10,348	7,018,592	13,230	1,931,122	-2,882	-22%
MACAO	10,068	3,943,738			10,068	#DIV/0!
FRANCE	8,165	5,844,721	61,728	32,933,456	-53,563	-87%
CAMEROON	8,083	887,757	5,174	3,454,778	2,909	56%
IVORY COAST	7,764	4,303,712	42,864	15,485,602	-35,100	-82%
UGANDA	7,428	7,119,168			7,428	#DIV/0!
LITHUANIA	7,224	3,421,196	16,984	10,042,375	-9,760	-57%
GUINEA	5,472	656,860	5,472	621,236	0	0%
SENEGAL	5,174	3,509,296			5,174	#DIV/0!
CHILE	2,134	2,028,519	1,180,961	234,221,863	-1,178,827	-100%
AUSTRALIA	1,665	2,056,943	485,171	105,115,748	-483,506	-100%
SWAZILAND	1,642	1,176,155	-	-	1,642	#DIV/0!
SOUTH KOREA	1,600	2,059,021	-	-	1,600	#DIV/0!
GAMBIA	960	111,749	-	-	960	#DIV/0!
CZECH REP	325	513,682	2,734	1,854,297	-2,409	-88%
ARGENTINA	-				0	#DIV/0!
BELGIUM	-		181,879	40,655,381	-181,879	-100%
BURKINA FASO	-		77,680	64,097,176	-77,680	-100%
EPZ	-		-	-	0	#DIV/0!
GABON	-		13,200	3,379,448	-13,200	-100%
GEORGIA	-		-	-	0	#DIV/0!

GREECE	-		100	137,471	-100	-100%
KUWAIT	-		4,030	350,204,377	-4,030	-100%
LEBANON	-		31,044	21,161,567	-31,044	-100%
MALTA	-		5,174	3,454,778	-5,174	-100%
MOZAMBIQUE	-		-	-	0	#DIV/0!
NIGER	-		10,348	6,927,707	-10,348	-100%
PALAU	-		-	-	0	#DIV/0!
SOUTH SUDAN	-		2,450	643,274	-2,450	-100%
TOGO	-		10,348	7,194,114	-10,348	-100%
ZAMBIA	-		26,840	7,481,057	-26,840	-100%
	-					
TOTAL	558,925,276	136,590,783,666	518,920,937	120,039,450,496	40,004,339	8%