



## **Tea prices at Mombasa auction increase to Sh210**

**Report indicated that the price increased from Sh203 recorded last month.**

### **In Summary**

- The report showed an improved demand for the 182,500 packages, which is 11.9 million kilos of the dry tea, available for sale in the market.
- Out of this, 141,340 packages or nine million kilos were sold at the auction.

by [AGATHA NGOTHO](#) *Science Writer*

07 August 2021 - 14:09

Tea prices at the Mombasa auction recorded an increase of Sh7 to Sh210 per kilo during last week's auction.

The East African Tea Traders Association market report indicated that the price increased from Sh203 recorded last month.

The report showed an improved demand for the 182,500 packages, which is 11.9 million kilos of the dry tea, available for sale in the market.

Out of this, 141,340 packages or nine million kilos were sold at the auction.

Tea prices at the auction have been recording an upward trend since the government reserved minimum prices at the auction.

Last month, Agriculture CS Peter Munya said smallholder tea producers shall set a reserve minimum average price at the auction.

He said this will be based on the cost of production, the grade of the tea and a reasonable return to the farmer.

“This will ensure sustainability of the tea sub-sector and continuous supply of high quality tea to the auction and our export markets,” he said.

Data from the Ministry of Agriculture shows the average prices recorded in the auction by end of June had dropped to an all-time low of Sh195 per kilo.

This was much lower compared to the average price of Sh227 recorded during the same period in 2020 and Sh242 for the same period in the year 2019.

This price, Munya said, was not only lower compared to the previous years but was almost at par with the cost of production. The cost of production stands at an average Sh184.

The Kenya Tea Development Authority has set a minimum price of Sh263 (USD2.43) per kilo.

KTDA chairman David Ichoho said the minimum price puts into consideration the cost of production and other logistics.

“Different KTDA factories are performing at different levels and ideally the price should be above the minimum return, because beyond these price farmers will not be able to make profit,” he said.

Ichoho said tea at the auction could fetch a higher price based on the different taste, colour, content and quality.

He said the positive response from the market is an indication the sub-sector is on the right track.

“The board is working with the government and other stakeholders, including tea buyers and brokers, to ensure the farmer gets the full benefit from the tea investment. The absorption in upcoming auctions is further expected to improve as the market aligns itself to the new prices,” Ichoho said.

*Edited by A.N*