OVERVIEW OF THE INDUSTRY

Sisal is predominantly grown by ten (10) sisal estates spread across the Coast, Eastern and Rift Valley regions of the country. Small pockets of production by Smallholder growers are spread all over the arid and semi-arid lands of the country, who grow the crop along the boundary, hedge rows and as a conservation measure to prevent erosion, forming approximately 5% of the total sisal production. Only a few of the Smallholders farmers in these areas make economic sense out this crop. Those involved in production and processing of this value chain are mainly in Nyanza, Rift Valley, upper and lower Eastern and Coastal regions, utilizing most of their hedge row and boundary.

Area under production

A total of 35,701 Ha was under production during the period under review, forming a 97% of total area, the rest 3% was under smallholder farmers. *[See Table 1 and 2 below]*

Table 1: Area under sisal production (Estates)

County	Name of Estate	Area (Ha)
Kilifi	Kilifi Plantation	610
	Rea Vipingo	4,640
Kwale	Agroprocessors Ltd	5,880
Taita Taveta	Voi Estates,	850
	Teita Estates	10,674
Makueni	DWA Estate	5,250
Nakuru	Majani Mingi	968
	Athinai	1,088
	Lomolo	2,144
Baringo	Migotyo	2,520
	Total Estates	**34,624**

Notes:

- In Nakuru County, the three estates are operated under one establishment, because they are owned by one person.
- The area under smallholder farmers is estimated to be 5,000 Ha, mainly in the following counties of Migori, Homabay, Siaya, Kisumu, Makueni, Baringo, Nakuru, West Pokot, Meru, Embu, Taita Taveta, Kilifi among others. Data however is not readily available because they operate individually and are spread all over.

PRODUCTION

During the period under review a total of **32,208.35 MT** of fibre was produced (an equivalent of 31,242,584.50 MT green leaf (assuming only 3% of a whole leaf is fibre). The value of this fibre was estimated at **Kshs**. **5,596,219,654.35**. This is the highest production since 1994, when a total of 33,953 MT was realized then. Out of this production the ten (10) estates produced a total of **30,964.63 MT**, valued at **Kshs. 5,141,986,457.80**, while the rest, **1,243.72 MT**, valued at **Kshs**. **142,173,131.13** by smallholder farmers. [*See Table 2 below for details*]

Table 2: Sisal Fibre Production by Month 2021

MONTH	TOTAL QUANTITY (MT)	VALUE KSH
JAN	2,847.53	487,703,238.79
FEB	2,453.66	419,602,055.10
MAR	2,611.37	446,602,716.92
APR	2,492.91	420,002,817.88
MAY	2,389.18	421,059,074.64
JUN	2,815.38	465,660,404.50
JUL	2,862.86	503,733,641.96
AUG	2,766.04	485,047,658.67
SEP	2,937.81	525,453,413.16
OCT	2,566.47	451,011,273.82
NOV	2,997.06	533,792,653.44
DEC	2,468.58	436,550,705.46
TOTALS	**32,208.85**	**5,596,219,654.35**

Most of the sisal fibre produced was exported to various overseas destination, forming 92% of total production. The rest of the fibre was locally utilized in manufacture of cordage (ropes and twines), dartboard (for export market) and production of artifacts like traditional baskets (*cyondos*) by mainly women groups in the rural cottage industry. Most of these hand - weaved traditional baskets (cyondos) are mainly for export market in Europe and USA.

Table 3: Sisal Production by Estate and Month 2021 (MT)

COUNTY	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
KWALE	168	-	192	208	308	252	302	168	376	196	644	N/A	2,814
BARINGO	181	178	213	213	208	232	256	245	216	207	208	168	2,525
MAKUENI	607	564	576	583	478	574	616	555	562	412	369	383	6,279
KILIFI	332	347	346	214	192	313	343	438	370	336	214	196	3,639
NAKURU	212	247	212	256	273	264	236	237	257	250	212	248	2,906
TAITA TAVETA	1,250	1,049	959	934	900	950	1,037	1,033	1,070	1,070	1,200	1,350	12,802
SUBTOTAL ESTATES	**2,750**	**2,385**	**2,498**	**2,408**	**2,358**	**2,585**	**2,789**	**2,676**	**2,851**	**2,471**	**2,848**	**2,345**	**30,965**
SUBTOTAL SMALL HOLDERS	**97.43**	**69.02**	**113.15**	**85.00**	**30.80**	**230.40**	**73.70**	**89.62**	**86.82**	**95.82**	**149.32**	**123.14**	**1,244.22**
TOTAL	**2,847.53**	**2,453.66**	**2,611.37**	**2,492.91**	**2,389.18**	**2,815.38**	**2,862.86**	**2,766.04**	**2,937.81**	**2,566.47**	**2,997.06**	**2,468.58**	**32,208.85**

In comparison to the previous year, production was higher during the period under review by about 6% as indicated below

	2020	**2021**
Estates	29,644.37	30,965
Smallholder	683.00	1,244.22
Total	**30,327.53**	**32,208.85**

This increase could be attributed:

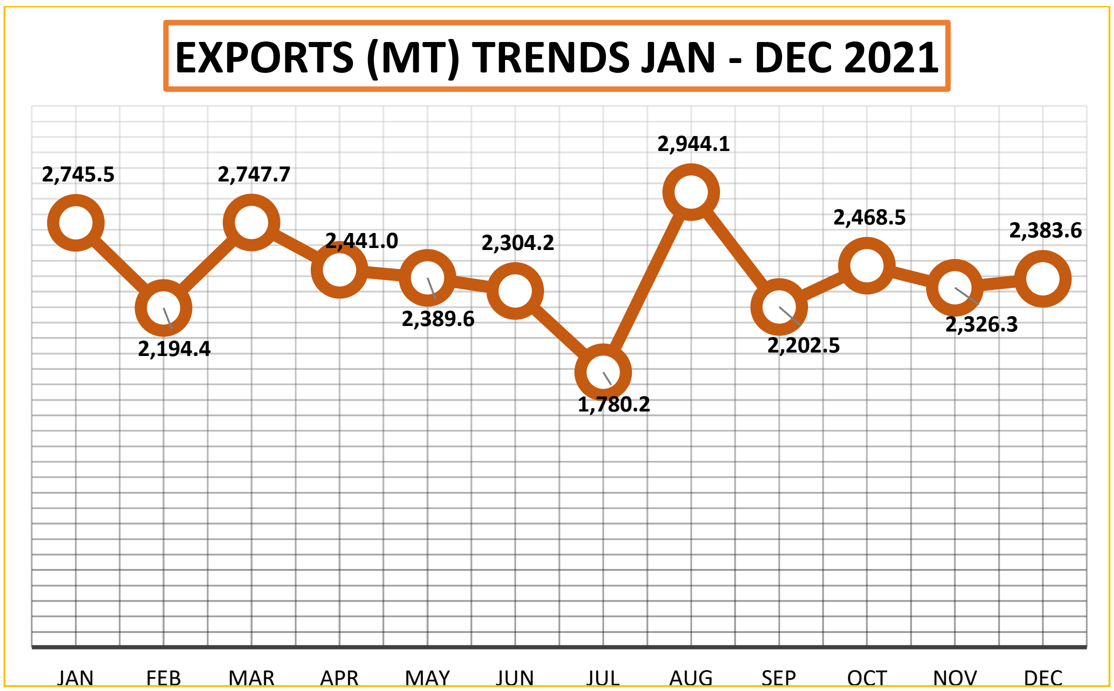
- Improved weather conditions round the year under review
- Resumption of production by Voi Estates under new management after having closed down in the previous season
- Increased number of marketing agents registered during the period under review, made them to go out of their way and have contracts with smallholder farmers who hitherto did not have a ready market for their hedge/boundary crop

TRADING AND MARKETING

Quantity and value of fibre exports

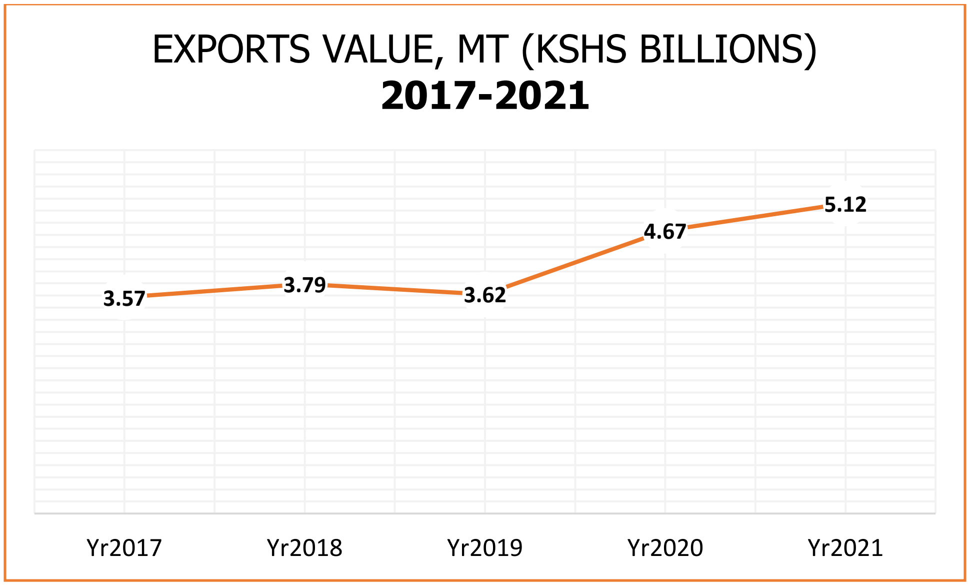
During the year under review, a total of **28,927.60 MT** was exported to various overseas destinations, valued at **Kshs 5,120,991,809.00** or **USD 46,813,878.35.** *[see Table 4 overleaf]*

The highest volume of exports was in the month of August while the lowest was in July as shown in *Graph 1* below. The marked dip in exports in the month of July was because of delay of Shipping lines cause by congestion at port of destinations for a few destinations. This was however normalized in the following month.



Graph 1: Volume of Exports (MT) – Jan - Dec 2021

The value of exports for sisal has consistently, continued rising due to the favourable prices for the commodity in the export market as demand over time has continued rising. The value of exports was the highest as it hit the Kshs. 5 billion mark during the period under review. *[see details in graph 2 overleaf]*



Graph 2: Export Value 5 - Trend (Kshs. billions)

Despite the challenges of harsh weather conditions experienced during the year under review, with very little precipitation experienced in most of the sisal growing regions, exports during the period were slightly higher in comparison to the previous period of 2020 by approximately 2%. This could be attributed to better prices offered in the market as forces of demand and supply continued to play out during the period under review. This is also the highest export in the last five years. [*See details in graph 3 overleaf*]

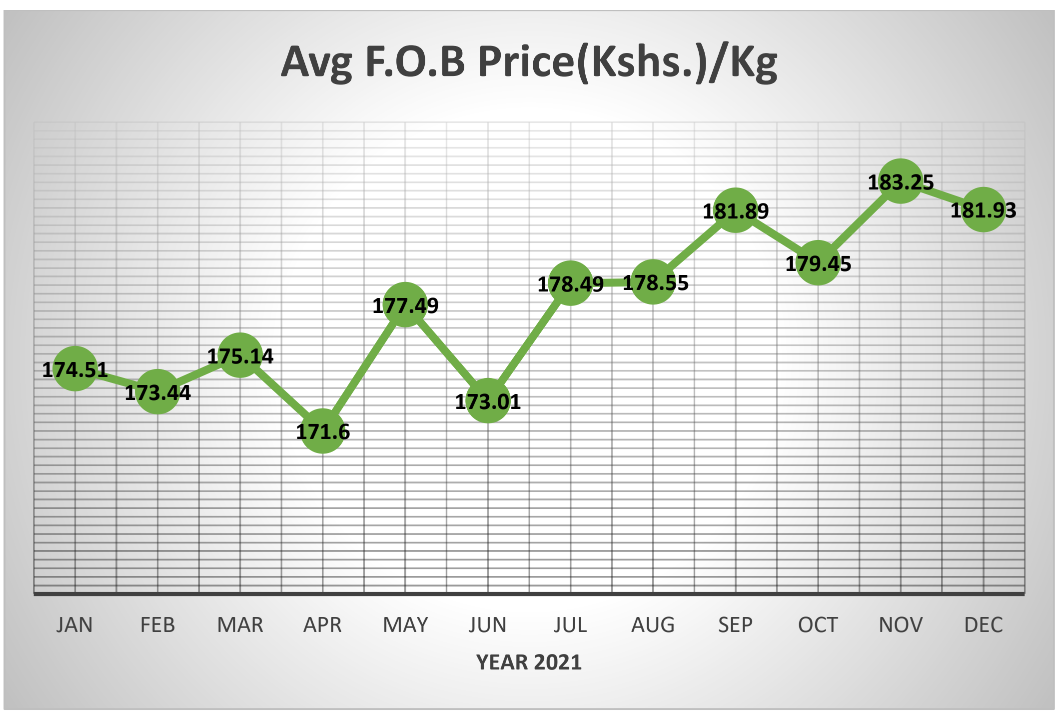
Table 4: Sisal Exports volumes and value Jan - Dec 2021

MONTH	**Tons**	**Price FOB/ton US $**	**Total value in US $**	**Price per ton (Kshs.)**	**Total value Kshs.**
JAN	2,745.50	1,589.36	4,333,964.00	174,505.96	475,262,604.52
FEB	2,194.40	1,584.60	3,486,836.80	173,644.85	382,512,130.56
MAR	2,747.70	1,594.91	4,368,833.25	175,144.99	479,694,167.69
APR	2,441.00	1,584.94	3,872,005.00	171,602.27	419,121,261.99
MAY	2,389.60	1,645.98	3,865,793.00	177,492.63	416,666,442.01
JUN	2,304.20	1,602.37	3,692,886.70	173,010.39	388,274,009.46
JUL	1,780.20	1,651.38	2,938,514.50	178,490.17	317,621,651.97
AUG	2,944.10	1,639.68	4,827,443.60	178,551.22	525,701,701.41
SEP	2,202.50	1,654.15	3,703,722.00	181,869.39	407,280,759.32
OCT	2,468.50	1,622.98	4,050,510.50	179,444.95	447,885,199.58
NOV	2,326.30	1,643.90	3,791,386.00	183,249.54	422,897,807.43
DEC	2,383.60	1,613.00	3,881,983.00	181,927.27	438,074,073.06
TOTAL	**28,927.60**		**46,813,878.35**		**5,120,991,809.00**

Graph 3: Volume of Exports – 5 year -Trend (MT) 2020- 2021

Prices

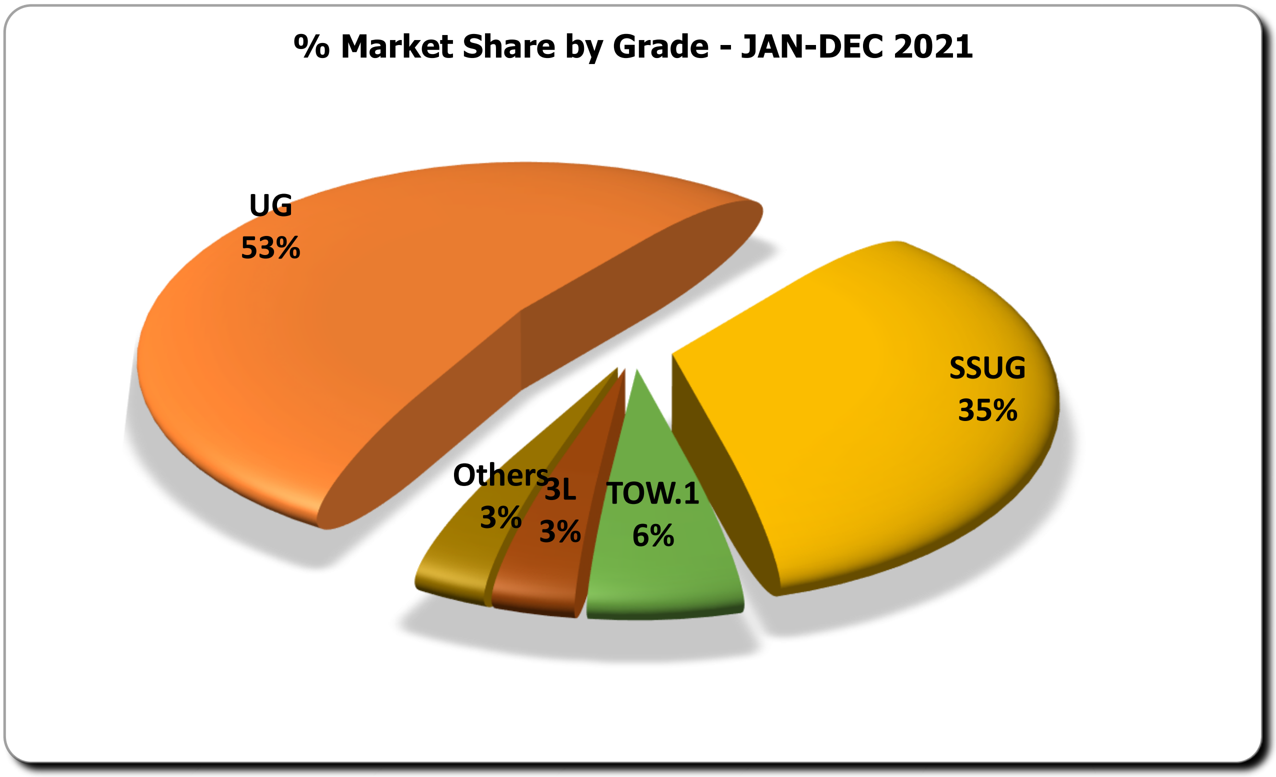
The average price (F.O.B) was Ksh **177.35** per Kg (or US$ 1,618.22 per MT) during the year under review. There was a significant increase in prices in comparison to the previous year which was Ksh **166.06** per Kg (or US$ 1,563.86 per MT), indicating a 6.7% increase. The average prices (F.O.B) during the year month by month is as shown in graph 4 below, which indicates the highest average prices of Kshs. 183.25 per Kg in November and the lowest average prices in April at Ksh 171.6 per Kg.



Graph 4: Average Price F.O.B (KSHS./KG)

Export by Grades

During the year under review, a total of eight (8) grades were traded in the export market. Grade UG was the most popular with an export volume of **15,269.15 MT**, representing 53% of all fibre traded during the year, followed by SSUG with **10,017.95 MT.** The other grades contributed to a meagre 12% of all fibre traded representing a total volume of **3,640.45 MT.** *See Table 6 and Pie Chart 1 below for more details.*



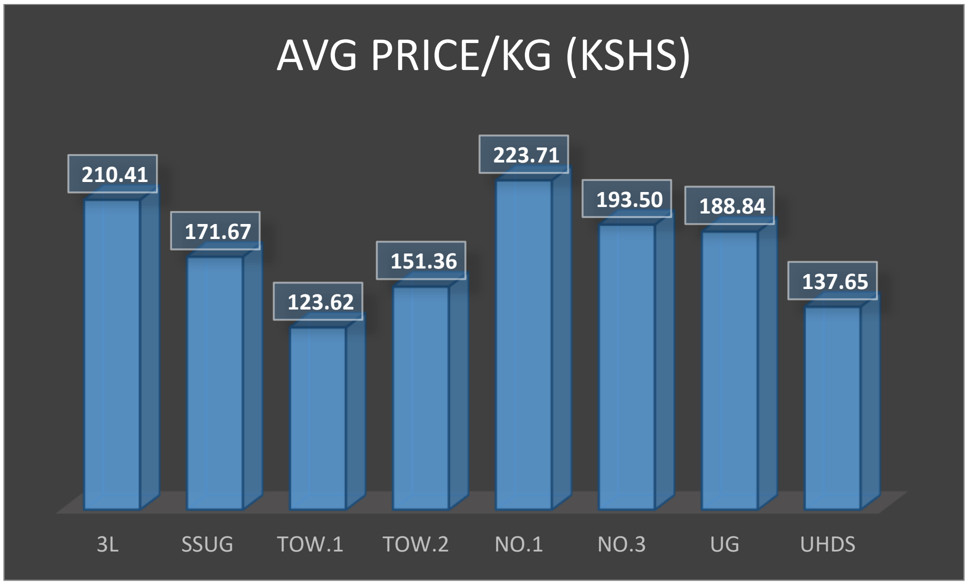
Pie Chart 1: Export Share by Grade, JAN-DEC 2021

Table 5:Volume (MT) and value (in Ksh and USD) of sisal exports by Grade in 2021

Grade	Tons	Average F.O.B Price /ton (US $)	Total value (in US $)	Average Price per ton (in Kshs.)	Total value (Kshs.)
3L	966.75	1,918.97	1,854,070.00	210,412.91	202,993,255.28
SSUG	10,017.95	1,565.59	15,586,173.50	171,668.82	1,711,413,135.24
TOW.1	1,800.60	1,102.35	1,992,553.00	123,620.13	217,958,786.82
TOW.2	484.70	1,424.52	678,815.00	151,363.14	74,397,769.02
NO.1	28.00	2,025.00	56,700.00	223,708.92	6,263,850.32
NO.3	89.00	1,750.00	154,925.00	193,501.30	17,076,427.97
UG	15,269.15	1,736.48	26,175,141.85	188,842.22	2,856,671,898.57
UHDS	271.40	1,257.34	315,500.00	137,648.40	34,216,685.78
TOTAL	**28,927.55**		**46,813,878.35**		**5,120,991,809.00**

Prices by Grade

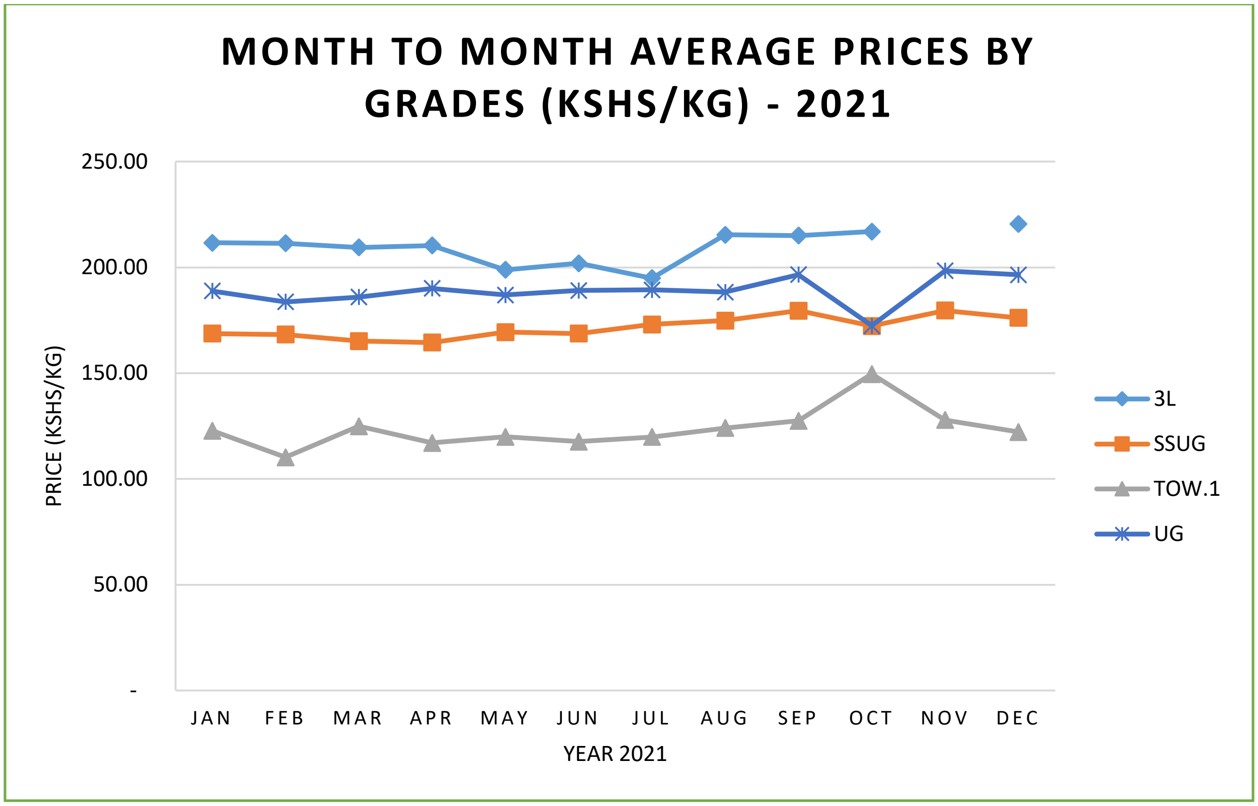
During the year under review, the highest F.O.B price offered was that of grade UG at Kshs **235.33** per Kg (USD $ 2180 per MT) exported to Nigeria in the Month of June while the lowest price offered was Kshs 101 per Kg (USD $ 920 per MT) for TOW. 1 in the month March, exported to Ghana.



Graph 5: Average FOB prices (Kshs/Kg)

The average F.O.B price per Kg (in Kshs) month by month for the four (4) main grades traded during the year under review is as shown in *Graph 6 below*.

From the graph below, it is evident that grade 3L, fetched highest prices per Kg ranging between Kshs 194.92 – 220/= per Kg, this was followed by UG, whose prices range was 172.41-198.38 Kshs/Kg.



Graph 6: Average F.O.B Price per Kg By Grade (in Kshs) Jan- Dec 2021

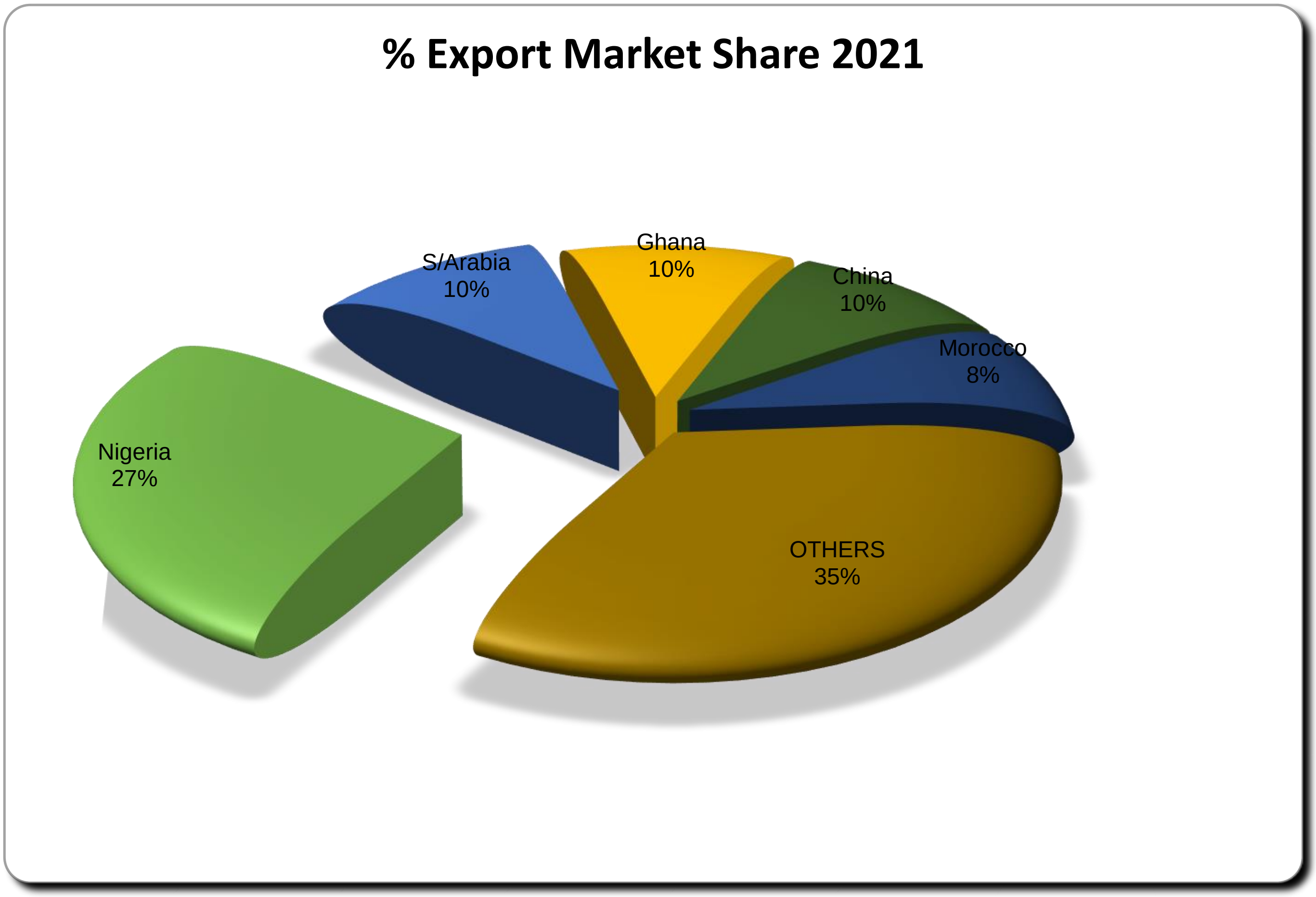
Export Destinations

There were a total of 36 export destinations worldwide during the year under review, similar to the previous period. During the period under review, the markets of Algeria, Austria, Greece and Niger did not make any imports of fibre as compared to the previous period. At the same time, Austria, Chad, Gambia, Oman and Slovenia re-entered the market after having missed out in the previous period.

The top five (5) destinations were led by Nigeria with exports equivalent to 27% of all exports during the period under review, followed by China, Saudi Arabia, Ghana and Morocco in that order. [*For details see Pie Chart 2]*

The Nigerian Market maintained the top position with exports as in the previous period. Ghana gained one position from fourth position to position three, implying it to be a growing market.

The details of the other markets are as indicated in *Table 6 overleaf*



Pie Chart 2: Market Share(%) - various destinations Jan - Dec 2021

Table 6: Volume (MT) and value (in Kshs and USD) of sisal exports by Destination in Jan- Dec 2021

#	Destination	Tons	Total value in US $	Total value Kshs.
1.	Nigeria	7,870.50	12,524,139.00	1,377,141,353.51
2.	S/Arabia	2,983.20	5,362,035.00	574,991,364.11
3.	Ghana	2,959.75	3,903,899.50	428,407,303.97
4.	China	2,749.80	4,284,215.25	468,115,625.85
5.	Morocco	2,402.70	4,102,350.50	451,121,714.29
6.	Spain	2,184.40	3,493,906.50	383,405,335.52
7.	Egypt	1,408.00	2,317,961.00	253,595,681.40
8.	Philippines	1,193.00	1,957,868.10	214,148,068.64
9.	Libya	651.00	1,087,975.00	118,115,050.33
10.	Senegal	562.50	983,768.00	107,642,169.09
11.	Belgium	528.00	1,019,280.00	111,770,697.12
12.	Ivory Coast	512.50	747,577.50	81,881,586.77
13.	Mauritania	471.00	783,640.00	86,244,501.21
14.	Togo	454.50	741,090.00	81,305,281.69
15.	India	392.00	680,120.00	74,387,952.24
16.	Guinea	219.00	381,030.00	41,666,095.91
17.	Benin	217.50	411,858.00	45,276,347.20
18.	Syria	196.50	314,685.00	34,617,746.49
19.	Indonesia	168.00	276,325.00	30,146,138.54
20.	Gambia	112.00	225,000.00	24,498,594.12
21.	UAE	111.50	171,400.00	18,765,978.70
22.	Iraq	106.00	183,050.00	19,869,292.13
23.	Japan	88.00	158,000.00	17,244,022.52
24.	Germany	76.50	150,450.00	16,420,690.58
25.	Mexico	50.00	93,875.00	10,058,020.75
26.	Israel	41.00	69,130.00	7,615,431.70
27.	Oman	28.00	47,700.00	5,302,332.00
28.	Sri Lanka	28.00	56,700.00	6,263,850.32
29.	Burkina Faso	28.00	50,400.00	5,458,320.00
30.	Jordan	28.00	51,800.00	5,597,140.36
31.	Chad	28.00	50,400.00	5,458,320.00
32.	Yemen	28.00	49,200.00	5,313,591.36
33.	Turkey	14.00	21,000.00	2,265,887.40
34.	Italy	14.00	25,550.00	2,816,736.72
35.	Australia	12.50	23,750.00	2,657,974.13
36.	Slovenia	10.20	12,750.00	1,405,612.33
	TOTALS	**28,927.55**	**46,813,878.35**	**5,120,991,809.00**

Domestic Market for Sisal

The prices for sisal fibre in the domestic market ranged between Kshs. 80 – 100/- per Kg. This is the main market for smallholder sisal farmers, which found its way to factories manufacturing Dartboards, sisal ropes and twines and coffee drying clothes.

Although no data was readily available, a lot of fibre was also sold to handloom weavers and hand weavers for making local basketry and other sisal artefacts.