

Overview of the Industry

Sisal is predominantly grown by ten (10) sisal estates spread in 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, forming about 5% of the total production, most of which is mainly grown along the boundary and hedge rows.

On average, production on monthly basis is about 2,500 MT of which, over 90% of the fibre produced is exported to over 30 destinations worldwide annually, while the rest is sold to local spinning factories and the rural cottage industries.

Quantity and value of fibre exports

During the month under review, a total of 2,594 MT was exported to various overseas destinations, valued at Kshs. 538,955,361.70 (USD 4,602,548.50). This was 12 % increase in volumes during the month under review in comparison to the previous month of May. This significant increase could be attributed to increase in demand internationally, which may have influenced the producers to mop up earlier stocks in response to the demand.

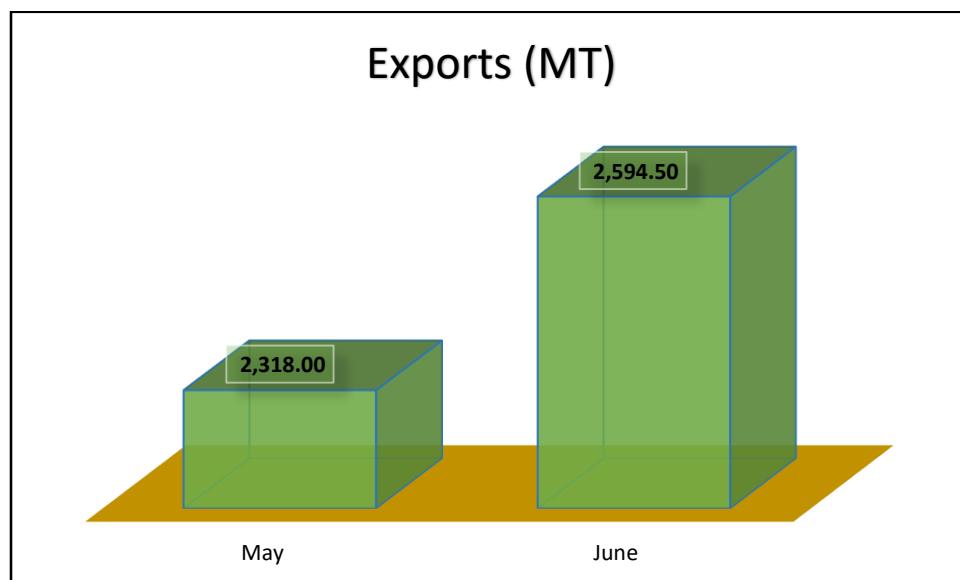


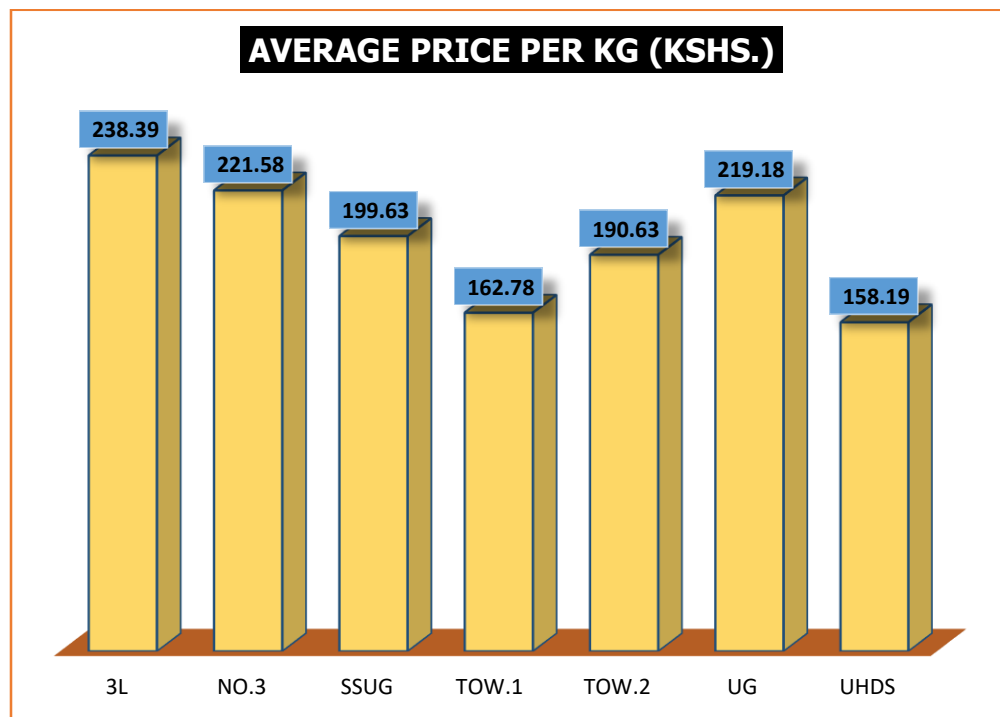
Chart 1: Export Volumes (MT) May Vs June 2022

Price and grades

The average F.O.B price of fibre was **Kshs. 207,216.85** per MT (or US\$ 1,774.50 per MT), approximately **Kshs 207.22** per Kg during the month under review. This was a **4%** increase in price during the month under review in comparison to the previous month of May, where the average F.O.B price was Kshs 199,591.00 (or USD 1,723 per MT), approximately Kshs 199.60 per Kg. This could be attributed to normal market forces of supply and demand and changes in the foreign exchange.

The highest F.O.B price offered during the month under review was USD 2,150 per MT (Kshs. 251,400.79 per MT) or Kshs. 251.40 per Kg for grade UG exported to Mali, while the lowest price offered in the same period was USD \$ 1,350 per MT (Kshs. 157,856.31 per MT) or Kshs. 157.86 per Kg for grade UHDS exported to Mauritania.

During the month under review, seven (7) grades were traded in the export market, and their average F.O.B prices per Kg (in Kshs) is as shown in *Graph 2 below*, where the highest average prices per Kg was that of grade 3L at Kshs 238.39 per Kg, while the lowest was Tow.1 at Kshs, 162.78 per Kg. [For details see graph 2 here below]



Graph 1: Average F.O.B Price per Kg by Grade (in Kshs) JUNE 2022

Export share by Grades

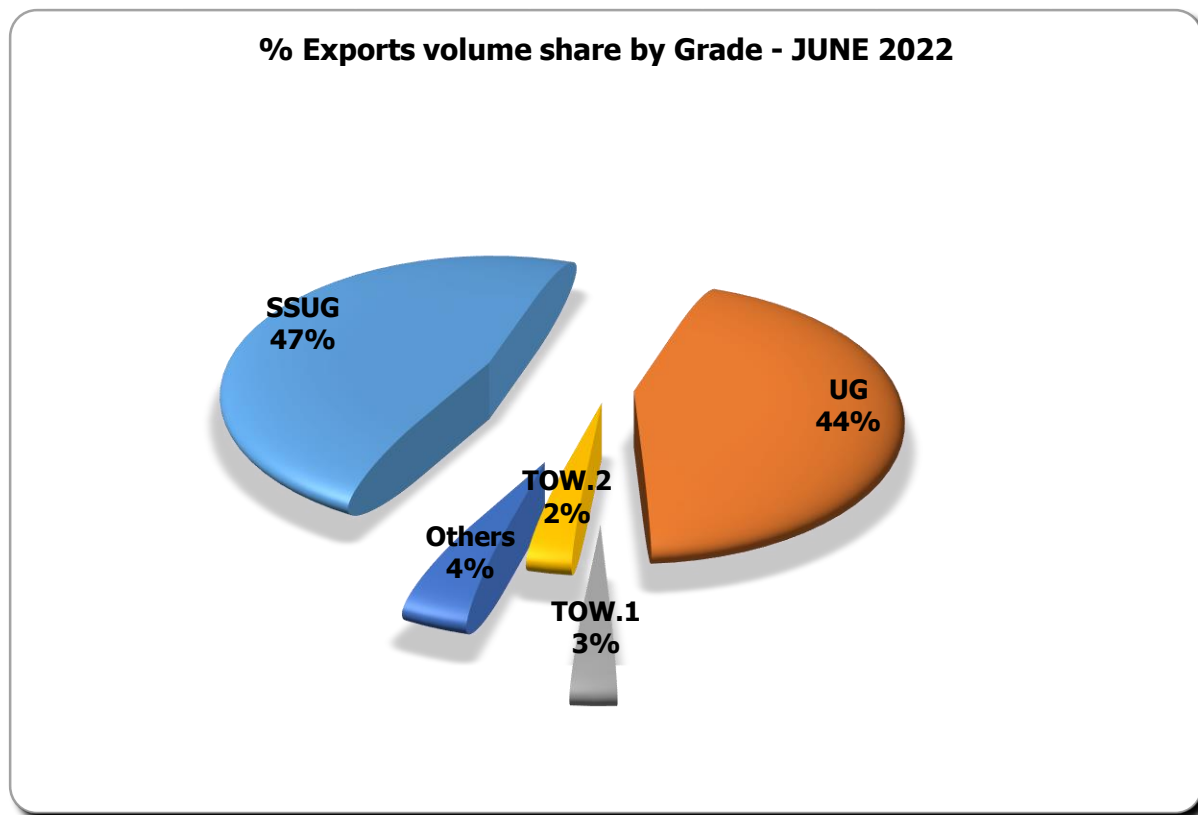
For the first time ever, Grade SSUG was the most popular ahead of UG, with an export volume share of 1,216.20 MT, representing a 47% share of all the fibre traded. A total of 1,137.25 MT of Grade UG, representing a 44% share came second, reversing the usual trend, where UG is always leading. This is interesting especially because, grade UG is usually a premium grade in comparison to SSUG and it is usually preferred than the others.

The reason for this change in preference could be attributed to the high prices experienced due to inflation and high foreign exchange rates, making customers to forfeit their most preferred grade to the lower one to make a saving.

For more details, See Pie Chart 1 below and Table 1 overleaf.

Table 1: Exports Volume by Grade (MT) June 2022

Grade	Tons	Price FOB/ton US \$	Total value in US \$	Price per ton (Kshs.)	Total value Kshs.
SSUG	1,216.20	1,705.83	2,092,931.00	199,633.31	245,008,418.04
UG	1,137.25	1,881.66	2,122,481.25	219,177.82	248,672,616.96
TOW.1	69.30	1,375.00	95,895.00	162,779.58	11,213,059.89
TOW.2	69.00	1,633.33	112,700.00	190,634.94	13,153,811.09
3L	48.00	2,035.00	97,680.00	238,394.35	11,442,928.73
UHDS	42.00	1,350.00	56,700.00	158,191.04	6,639,337.53
NO.3	12.75	1,895.00	24,161.25	221,583.49	2,825,189.46
TOTALS	2,594.50		4,602,548.50		538,955,361.70



PIE CHART 1: MARKET SHARE % BY GRADE JUNE 2022

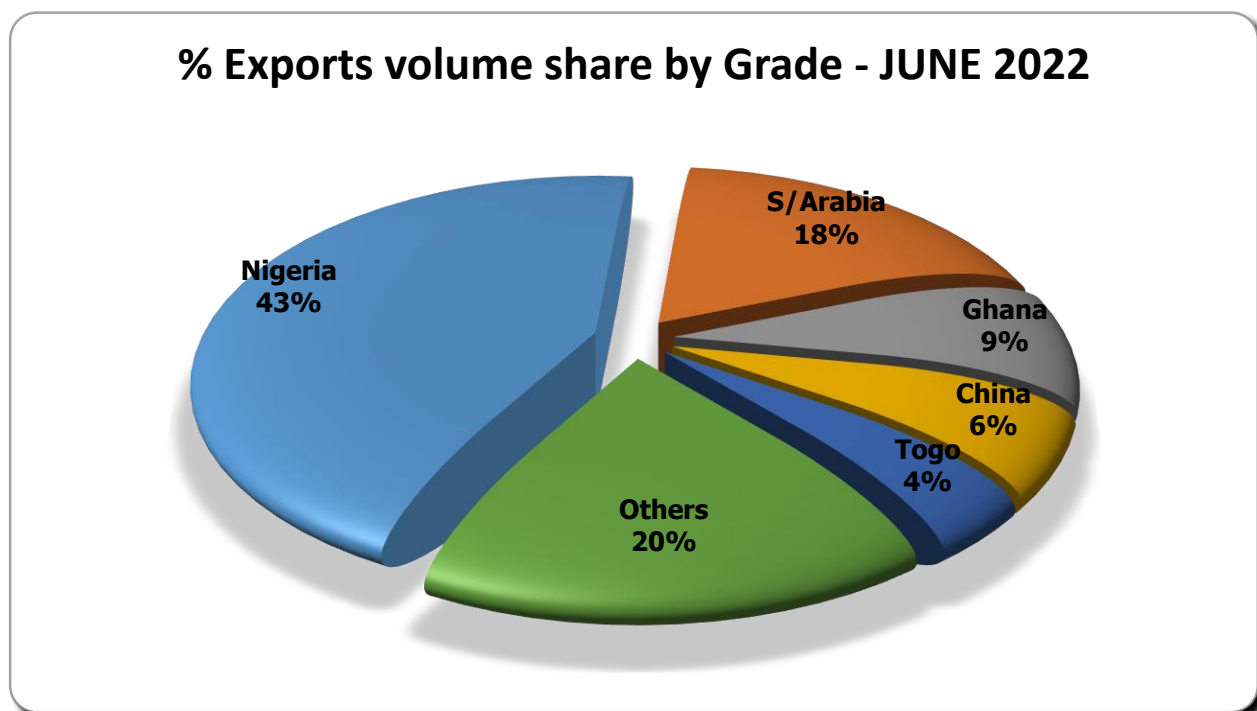
Exports by Destinations

There were a total of 17 export destinations worldwide during the month under review, same as for the previous month of May.

Nigeria continued being the leading Overseas destination where a total of 1,119.70 MT were exported, an equivalent of 43% of all exports. Other top destinations were S/Arabia, Ghana, China and Togo in that order.

The top five (5) export destinations volume comprised an equivalent of 80% of all the sisal fibre exports during the month under review, indicating the importance of these Overseas markets.

Ghana was edged down to position two by Saudi Arabia, which has been strongly fighting for its coming back as a leading sisal destination. *For details, see Pie Chart 2 and Table 1 below.*



PIE CHART 2: % MARKET SHARE FOR VARIOUS EXPORT DESTINATIONS - JUNE 2022

Table 2: Exports by Destinations JUNE 2022

Destination	Tons	AVERAGE Price FOB/ton US \$	Total value in US \$	Price per ton (Kshs.)	Total value Kshs.
Nigeria	1,119.70	1,761.76	1,975,948.00	206,324.45	231,489,411.17
S/Arabia	454.50	1,778.57	814,010.00	208,273.16	95,308,032.16
Ghana	228.80	1,623.13	367,055.00	190,386.61	42,946,275.62
China	168.00	1,882.50	301,280.00	209,889.29	35,272,376.33
Togo	112.00	1,739.33	192,304.00	204,181.68	22,553,454.59
Egypt	84.00	1,883.33	158,200.00	220,306.44	18,505,740.82
Philippines	84.00	1,610.00	135,279.00	189,642.34	15,929,956.92
Senegal	84.00	2,033.33	170,800.00	237,333.49	19,936,012.60
India	56.00	1,932.50	108,220.00	225,687.60	12,638,505.17
Belgium	48.00	2,035.00	97,680.00	238,394.35	11,442,928.73
Mali	28.00	2,150.00	60,200.00	251,400.79	7,039,222.12
Morocco	28.00	1,950.00	54,600.00	227,186.51	6,361,222.14
I/Coast	27.00	1,700.00	45,900.00	198,060.03	5,347,620.81
Italy	25.50	1,895.00	48,322.50	221,583.49	5,650,378.92
Mauritania	24.00	1,425.00	33,900.00	167,332.76	3,980,758.35
Jordan	12.00	1,800.00	21,600.00	211,367.70	2,536,412.40
UAE	11.00	1,568.00	17,250.00	183,368.44	2,017,052.85
TOTAL	2,594.50	30,767.46	4,602,548.50	3,590,719.13	538,955,361.70