



ATLAS
TEA BROKERS LTD

Sec,1 M.Nyali,(off Links Shell Petro Station)

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1st November 2023

Market Summary for Sale 44 of 2023

There were 184,160 packages on offer in the M1 & M2 categories this week versus Sale 43 where 184,275 pkgs had been offered. There was a decrease in demand and absorption with buyers bidding at generally easier rates than last week. This week absorption stood at 62% with 7,805,867 Kgs sold while the average hammer price was firm at USD 1.88 per kg.

The percentage sold was 62% in Sale 44 with 7.8 M Kgs sold versus 68% in Sale 43 where 8.7 M Kgs were sold which was a decrease by 10.3% which is attributed to reduced demand for KTDA teas where the sales this week decreased by 14.4% from 4.7 M kgs in Sale 43 to 4.1 M Kgs in Sale 44.

In Sale 44 outlots increased by 21% to 4.8 M Kgs versus 4.0 M Kgs in Sale 43, while KTDA outlots increased significantly by 19.35% in Sale 44 to 3.1 M Kgs from 2.6 M Kgs in Sale 43. A huge percentage of the unsold teas were teas of Rwanda, Uganda and Kenya Origin, primarily KTDA reprints and fresh offers (mostly from KTDA West of Rift across all the grades, KTDA East of Rift BP1s and Kenyan Estate PF1 and reprinted PD teas.

Sale 44 vs Sale 43 Auction offerings across all the Countries: -

Offerings				
	Sale No			
Country	44	43	Variance, Kgs	Variance, %
Burundi	50,211	41,826	8,385	20%
Kenya	11,085,642	11,357,698	-272,056	-2%
Rwanda	238,924	223,940	14,984	7%
Tanzania	166,344	218,084	-51,740	-24%
Uganda	1,128,661	877,137	251,524	29%
Total, Kgs	12,669,782	12,718,685	-48,903	-0.38%

Sale 44 Absorption across all the Countries: -

Sale No	43				
Country	Sold	Outlots	Total	% Sold	% Outlots
Burundi	21,748	28,463	50,211	43%	57%
Kenya	6,827,071	4,258,571	11,085,642	62%	38%
Rwanda	178,216	60,708	238,924	75%	25%
Tanzania	70,580	95,764	166,344	42%	58%
Uganda	708,252	420,409	1,128,661	63%	37%
Total, Kgs	7,805,867	4,863,915	12,669,782	62%	38%

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Sold teas in Sale 44 vs Sale 43 per grade: -

Status	Sold			
Kgs	Sale No			
Grade	44	43	Variance, Kgs	Variance, %
BP1	642,791	850,930	(208,139)	-24.46%
DUST1	753,534	809,270	(55,736)	-6.89%
PD	2,674,102	2,791,707	(117,605)	-4.21%
PF1	3,735,440	4,248,938	(513,498)	-12.09%
Total, Kgs	7,805,867	8,700,844	(894,977)	-10.29%

Out lots in Sale 44 vs Sale 43 per grade: -

Status	Outlots			
Sum of Net Weigh	Sale No			
Grade	44	43	Variance, Kgs	Variance %
BP1	796,619	490,577	306,042	62%
DUST1	246,295	270,880	(24,585)	-9%
PD	1,434,257	1,417,074	17,183	1%
PF1	2,386,744	1,839,311	547,433	29.76%
Total, Kgs	4,863,915	4,017,841	846,074	21.06%

Price

Auction Average Price Movement Sale 44 vs Sale 43

Sale Price(\$)			
Grade	(All)		
	Sale No		
Country	44	43	Variance
Burundi	1.99	2.11	(0.12)
Kenya	2.32	2.29	0.04
Rwanda	3.36	3.34	0.02
Tanzania	0.98	0.92	0.06
Uganda	0.75	0.68	0.06
Average	1.88	1.87	0.01

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Auction Average Price Movement Per grade across all the Countries in Sale 44 vs Sale 43

Grade	BP1			Grade	PF1			Grade	PD			Grade	DUST1		
Sale Price(\$)				Sale Price(\$)				Sale Price(\$)				Sale Price(\$)			
	Sale No				Sale No				Sale No				Sale No		
Country	44	43	Variance	Country	44	43	Variance	Country	44	43	Variance	Country	44	43	Variance
Burundi	1.89			Burundi	2.04	2.07	(0.03)	Burundi	2.00	2.03	(0.03)	Burundi		2.54	
Kenya	2.06	2.19	(0.13)	Kenya	2.40	2.31	0.09	Kenya	2.28	2.28		Kenya	2.32	2.33	(0.01)
Rwanda	3.27	3.36	(0.10)	Rwanda	3.18	3.42	(0.24)	Rwanda	3.80	3.30	0.50	Rwanda	3.17	2.92	0.25
Tanzania	1.07	1.00	0.07	Tanzania	1.06	0.91	0.14	Tanzania	0.74	0.86	(0.12)	Tanzania	0.86	0.98	(0.12)
Uganda	1.07	1.04	0.03	Uganda	0.75	0.65	0.10	Uganda	0.67	0.64	0.04	Uganda	0.69	0.67	0.03
Average	1.87	1.90	(0.03)	Average	1.89	1.87	0.01	Average	1.90	1.82	0.08	Average	1.76	1.89	(0.13)

M2: The Flavory and Medium Rwanda, KTDA East of Rift valley, Burundi and Kenya Estate BP1s met slightly improved demand selling at irregularly firm to easier rates from Kazak and CIS Buyers while the below types were irregularly firm with most selling at the reserve prices. Pakistan packers and Kazak buyers were dominant supported by UK, India and the CIS. The West of Rift valley BP1s sold at firm levels with most selling at the reserved prices. Plainer BP1's met improved enquiry at irregularly firm to dearer rates; absorbed by South Sudan, Russia and local packers.

KTDA East of Rift valley PF1's met slightly improved demand selling at dearer rates by 10-15 usc versus last week driven by a strong demand from both Pakisan Packers, Bazaar and Afghanistan Buyers. Rwanda PF1s and Burundi PF1's were selling irregularly steady to easier rates than last week. West of Rift valley PF1s met reduced interest from Pakistan packers, Afghan and the UK. Mediums were irregularly steady to slightly easier. Plainer types were irregularly firm, meeting maintained demand from Pakistan, CIS and local packers. There was a very strong demand, absorption and competition for the Uganda and Uganda PF1 teas with most the teas selling dearer by up to 20 usc following quality.

M1: Rwanda and KTDA East of Rift valley PDs sold at were irregularly firm to dearer rates following quality supported by a strong demand from Yemen, Egyptian and UK Buyers supported by Pakistan packers. The Dust 1 teas followed the same trend but following quality on blacker and cleaner teas. West of Rift valley PDs and Dust 1 remained firm at reserve prices with a marks selling and with most of the teas attracting no bids and ended out as out lots. Kenya Estate PDs and Dust 1 had a fair demand and absorption but at slightly lower levels than last week supported by Egyptian, Yemen and UK Buyers. Mediums types PDs and Dust 1 lost last week's momentum and sold at irregularly steady to easier with maintained activity from Egyptian buyers and with some being neglected and ended out as out lots.

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The top ten Buyers in Sale 44 of 2023 are as per below: -

Status	Sold				
Sale No	44				
Sold Packages	Grade				
Buyer	BP1	DUST1	PD	PF1	Grand Total
Chai Trading Company Ltd	2,120	1,040	3,320	14,280	20,760
Global Teas and Commodities Ltd	1,640	1,360	4,120	9,600	16,720
LAB International	240	2,360	6,280	2,020	10,900
SSOE Kenya Ltd	720	760	2,080	4,240	7,800
James Finlay Mombasa Ltd		80	6,360	920	7,360
Devchand Keshavji (K) Ltd				6,720	6,720
Mombasa Coffee Ltd		2,120	3,960	240	6,320
Cargill Kenya Limited	920		360	5,040	6,320
MJ Clarke Ltd		360	4,840	200	5,400
Abbas Tea Traders Ltd	200	320	1,280	1,120	2,920

The movement/Variance of the Top Ten Buyers in Sale 44 vs Sale 43 2023: -

Status	Sold		
Grade			
Sold Packages	Sale No		
Buyer	44	43	Variance
Chai Trading Company Ltd	20,760	20,680	80
Global Teas and Commodities Ltd	16,720	15,639	1,081
LAB International	10,900	12,860	(1,960)
SSOE Kenya Ltd	7,800	5,400	2,400
James Finlay Mombasa Ltd	7,360	8,981	(1,621)
Devchand Keshavji (K) Ltd	6,720	5,840	880
Mombasa Coffee Ltd	6,320	14,960	(8,640)
Cargill Kenya Limited	6,320	8,280	(1,960)
MJ Clarke Ltd	5,400	3,200	2,200
Abbas Tea Traders Ltd	2,920	4,000	(1,080)

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Weather and Crop

Rainfall with isolated storms were recorded in several parts of the Highlands both East and West of the Rift Valley. Morning rains as well as afternoon and night showers were recorded over few places. Daytime temperatures decreased in most stations while night-time temperature increased in most stations. The crop being harvested is at season's level.

The Kenya July 2023 Crop figures were released and production increased significantly by 10.69 M Kgs to 44.69 M kgs vs 34 M kgs same month in 2022. Production for the Month of July 2023 was lower by 3.4 M Kgs compared with 48.12 M Kgs for the Month of June 2023 due to the cold weather conditions experienced in the month of July. Due to the favorable weather conditions in the months of April to July 2023, production for the first seven months of 2023 is higher by 13.09 M kgs to stand at 318.34 M kgs against 305.24 M kgs recorded during the same period in 2022.

Sub-Sector	Region	Jul-23	Jul-22	Var, Kgs	Var, %	Jan-July 2023	Jan-July 2022	Var, Kgs	Var, %
Plantations	West of Rift	25,084,972	20,559,460	4,525,512	22.01%	149,884,493	133,165,507	16,718,986	12.56%
	East of Rift	1,418,134	720,558	697,576	96.81%	10,901,547	9,974,623	926,924	9.29%
Total		26,503,106	21,280,018	5,223,088	24.54%	160,786,040	143,140,130	17,645,910	12.33%
Smallholder	West of Rift	10,051,975	7,506,353	2,545,622	33.91%	68,468,698	72,891,440	-4,422,742	-6.07%
	East of Rift	8,141,534	5,217,096	2,924,438	56.05%	89,085,316	89,212,446	-127,130	-0.14%
Total		18,193,509	12,723,449	5,470,060	42.99%	157,554,014	162,103,886	-4,549,872	-2.81%
Smallholder & Plantations	West of Rift	35,136,947	28,065,813	7,071,134	25.19%	218,353,192	206,056,947	12,296,245	5.97%
	East of Rift	9,559,668	5,937,654	3,622,014	61.00%	99,986,862	99,187,068	799,794	0.81%
Totals		44,696,615	34,003,467	10,693,148	31.45%	318,340,054	305,244,015	13,096,039	4.29%

Upcoming Auction: Sale 45 of 2023

Currently the demand for teas across all the categories and from all the buyers remains subdued resulting in reduced absorption, low realized prices in the auction and increased outlots especially on PF1 teas. Demand is expected to continue being erratic, selective and following quality to all the tea destinations. The new directive by the Pakistan Government on Afghanistan transit cargo which has restricted black teas transit through Pakistan and the currency challenges in Pakistan coupled will continue to impact the demand, absorption and price realization for all the teas negatively. Egyptian buyers slightly improved their buying for this week but are bidding at irregular rates in the M1 catalogue. For now, we recommend selling the teas at the best market price available due to the uncertainty in prices, demand and increased volumes from Kenya Producers.

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Sale No.	46	45	Variance, Kgs	Variance, %
Fresh teas, Pkgs	147,180	146,129	1,051	0.72%
Reprinted teas, Pkgs	99,320	95,460	3,860	4.04%
Total	<u>246,500</u>	<u>241,589</u>	<u>4,911</u>	2.03%
Fresh teas, Kgs	9,928,364	9,943,517	-15,153	-0.15%
Reprinted teas, Kgs	6,750,179	6,468,947	281,232	4.35%
Total	<u>16,678,543</u>	<u>16,412,464</u>	<u>266,079</u>	1.62%

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