



8th November 2023

Market Summary for Sale 45 of 2023

There were 226,750 packages on offer in the M1 & M2 categories this week versus Sale 44 where 184,160 pkgs had been offered which was an increase by 23.2%. There was fair demand and absorption with buyers bidding at generally easier rates than last week. This week absorption stood at 55% with 8,615,000 Kgs sold while the average hammer price was down by 7 usc at USD 1.81 per kg.

The percentage sold was 55% in Sale 45 with 8.6 M Kgs sold versus 65% in Sale 44 where 8.1 M Kgs were sold which was a decrease by 10%.

In Sale 45 outlots increased by 56% to 6.9 M Kgs versus 4.5 M Kgs in Sale 44, while KTDA outlots increased significantly by 83% in Sale 45 to 5.4 M Kgs from 2.9 M Kgs in Sale 44. 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 45 vs Sale 44 Auction offerings across all the Countries: -

Offerings				
	Sale No			
Country	45	44	Variance, Kgs	Variance, %
Burundi	21,249	50,211	-28,962	-58%
Kenya	14,102,341	11,085,642	3,016,699	27%
Rwanda	329,880	238,924	90,956	38%
Tanzania	158,612	166,344	-7,732	-5%
Uganda	995,771	1,128,661	-132,890	-12%
Total, Kgs	15,607,853	12,669,782	2,938,071	23.19%

Sale 45 Absorption across all the Countries: -

Sale No	45				
Country	Sold	Outlots	Total	% Sold	% Outlots
Burundi	10,025	11,224	21,249	47%	53%
Kenya	7,582,709	6,519,632	14,102,341	54%	46%
Rwanda	226,168	103,712	329,880	69%	31%
Tanzania	78,312	80,300	158,612	49%	51%
Uganda	717,787	277,984	995,771	72%	28%
Total, Kgs	8,615,001	6,992,852	15,607,853	55%	45%

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Sold teas in Sale 45 vs Sale 44 per grade: -

Status	Sold			
Kgs	Sale No			
Grade	45	44	Variance, Kgs	Variance, %
BP1	994,419	764,603	229,816	30.06%
DUST1	988,219	770,930	217,289	28.19%
PD	2,677,436	2,683,102	(5,666)	-0.21%
PF1	3,954,927	3,955,487	(560)	-0.01%
Total, Kgs	8,615,001	8,174,122	440,879	5.39%

Out lots in Sale 45 vs Sale 44 per grade: -

Status	Outlots			
Sum of Net Weight	Sale No			
Grade	45	44	Variance, Kgs	Variance %
BP1	1,472,569	674,807	797,762	118%
DUST1	483,870	228,899	254,971	111%
PD	1,998,947	1,425,257	573,690	40%
PF1	3,037,466	2,166,697	870,769	40.19%
Total, Kgs	6,992,852	4,495,660	2,497,192	55.55%

Price

Auction Average Price Movement Sale 45 vs Sale 44

Sale Price(\$)			
Grade	(All)		
	Sale No		
Country	45	44	Variance
Burundi	1.82	1.99	(0.17)
Kenya	2.34	2.30	0.04
Rwanda	3.14	3.36	(0.22)
Tanzania	0.99	1.01	(0.02)
Uganda	0.79	0.75	0.04
Average	1.81	1.88	(0.07)

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Auction Average Price Movement Per grade across all the Countries in Sale 45 vs Sale 44

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	45	44	Variance	Country	45	44	Variance	Country	45	44	Variance	Country	45	44	Variance
Burundi	1.70	1.89	(0.19)	Burundi		2.04		Burundi	1.94	2.00	(0.06)	Burundi			
Kenya	2.17	2.04	0.13	Kenya	2.41	2.37	0.05	Kenya	2.28	2.28		Kenya	2.35	2.32	0.02
Rwanda	2.95	3.35	(0.39)	Rwanda	3.09	3.17	(0.08)	Rwanda	3.59	3.80	(0.21)	Rwanda	3.16	3.05	0.11
Tanzania		1.07		Tanzania	1.05	1.09	(0.04)	Tanzania	0.70	0.74	(0.04)	Tanzania	0.84	0.86	(0.02)
Uganda	1.15	1.06	0.09	Uganda	0.72	0.75	(0.03)	Uganda	0.74	0.67	0.07	Uganda	0.71	0.68	0.03
Average	1.99	1.88	0.11	Average	1.82	1.88	(0.06)	Average	1.85	1.90	(0.05)	Average	1.76	1.73	0.04

M2: The Flavory and Medium Rwanda, KTDA East of Rift valley, Burundi and Kenya Estate BP1s met reduced 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 10-20 usc versus last week driven by a strong demand from both Pakisan Packers, Bazaar and Afghanistan Buyers. Rwanda PF1s 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.

M1: Rwanda and KTDA East of Rift valley PDs sold at were irregularly firm to easier rates following quality. 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 reduced demand and absorption at 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 45 of 2023 are as per below: -

Status	Sold				
Sale No	45				
Sold Packages	Grade				
Buyer	BP1	DUST1	PD	PF1	Grand Total
CHAI TRADING COMPANY LIMITED	3,000	2,200	3,000	13,360	21,560
GLOBAL TEA & COMMODITIES (K) LTD	3,880	1,920	3,960	9,040	18,800
LAB INTERNATIONAL (K) LTD	40	2,560	5,200	3,200	11,000
SSOE (KENYA) LTD	1,080	1,080	2,720	4,960	9,840
MOMBASA COFFEE LTD	160	1,800	4,040	1,680	7,680
CARGILL KENYA LTD	1,800		280	5,000	7,080
JAMES FINLAY MOMBASA LTD	80		5,280	1,640	7,000
DEVCHAND KESHAVJI (KENYA) LTD				6,800	6,800
MJ CLARKE LTD		320	5,160	360	5,840
ABBAS TRADERS LTD	520	840	1,200	1,440	4,000

The movement/Variance of the Top Ten Buyers in Sale 45 vs Sale 44 2023: -

Status	Sold		
Grade			
Sold Packages	Sale No		
Buyer	45	44	Variance
CHAI TRADING COMPANY LIMITED	21,560	24,000	(2,440)
GLOBAL TEA & COMMODITIES (K) LTD	18,800	17,400	1,400
LAB INTERNATIONAL (K) LTD	11,000	11,000	-
SSOE (KENYA) LTD	9,840	8,240	1,600
MOMBASA COFFEE LTD	7,680	6,320	1,360
CARGILL KENYA LTD	7,080	6,320	760
JAMES FINLAY MOMBASA LTD	7,000	7,360	(360)
DEVCHAND KESHAVJI (KENYA) LTD	6,800	6,720	80
MJ CLARKE LTD	5,840	5,400	440
ABBAS TRADERS LTD	4,000	2,960	1,040

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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 46 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.	47	46	Variance, Kgs	Variance, %
Fresh teas, Pkgs	153,379	147,180	6,199	4.21%
Reprinted teas, Pkgs	109,440	99,320	10,120	10.19%
Total	<u>262,819</u>	<u>246,500</u>	<u>16,319</u>	<u>6.62%</u>
Fresh teas, Kgs	10,367,951	9,928,364	439,587	4.43%
Reprinted teas, Kgs	7,393,663	6,750,179	643,484	9.53%
Total	<u>17,761,614</u>	<u>16,678,543</u>	<u>1,083,071</u>	<u>6.49%</u>

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