



4th January 2024

Market Summary for Sale 01 of 2024

There were 15,042,753 Kgs on offer in all the categories in Sale 01 of 2024 vs Sale 51 of 2023 where 16,126,174 Kgs had been offered which was a decrease by 6.72%. There was reduced demand and absorption with buyers bidding at generally irregular rates than last auction and buying lower volumes than last week with absorption decreasing by 15.63%. This week absorption stood at 63% with 9,469,033 Kgs sold while the average hammer price was firm at USD 1.88 per kg.

The percentage sold was 63% in Sale 01/2024 with 9.5 M Kgs sold versus 70% in Sale 51/2023 where 11.2 M Kgs were sold which was a decrease by 15.63%.

In Sale 01 outlots increased by 13.68% to 5.5 M Kgs versus 4.9 M Kgs in Sale 51, while KTDA outlots increased significantly by 14.1% in Sale 01 to 4 M Kgs from 3.5 M Kgs in Sale 51/2023.

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 PD and Dust 1 teas.

Sale 01/2024 vs Sale 51/2023 Auction offerings across all the Countries: -

Offerings				
	Sale No			
Country	1	51	Variance, Kgs	Variance, %
Burundi	92,724	76,543	16,181	21%
Kenya	12,674,424	13,675,250	-1,000,826	-7%
Rwanda	655,844	761,040	-105,196	-14%
Tanzania	81,684	100,832	-19,148	-19%
Uganda	1,538,077	1,512,509	25,568	2%
Total, Kgs	15,042,753	16,126,174	-1,083,421	-6.72%

Sale 01/2024 Absorption across all the Countries: -

Sale No	1				
Country	Sold	Outlots	Total	% Sold	% Outlots
Burundi	83,641	9,083	92,724	90%	10%
Kenya	7,588,772	5,085,652	12,674,424	60%	40%
Rwanda	472,764	183,080	655,844	72%	28%
Tanzania	61,472	20,212	81,684	75%	25%
Uganda	1,262,384	275,693	1,538,077	82%	18%
Total, Kgs	9,469,033	5,573,720	15,042,753	63%	37%

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Sale 01/2024 vs Sale 51/2023 Auction Absorption across all the Countries: -

Absorption				
	Sale No			
Country	1	51	Variance, Kgs	Variance, %
Burundi	83,641	66,791	16,850	25%
Kenya	7,588,772	9,178,820	-1,590,048	-17%
Rwanda	472,764	648,780	-176,016	-27%
Tanzania	61,472	82,048	-20,576	-25%
Uganda	1,262,384	1,246,655	15,729	1%
Total, Kgs	9,469,033	11,223,094	-1,754,061	-15.63%

Sale 01/2024 vs Sale 51/2023 Auction Outlots across all the Countries: -

Outlots				
	Sale No			
Country	1	51	Variance, Kgs	Variance, %
Burundi	9,083	9,752	-669	-7%
Kenya	5,085,652	4,496,430	589,222	13%
Rwanda	183,080	112,260	70,820	63%
Tanzania	20,212	18,784	1,428	8%
Uganda	275,693	265,854	9,839	4%
Total, Kgs	5,573,720	4,903,080	670,640	13.68%

Main Grade Teas Sold in Sale 01/2024 vs Sale 51/2023 per grade: -

Status	Sold			
Kgs	Sale No			
Grade	1	51	Variance, Kgs	Variance, %
BP1	818,980	945,513	(126,533)	-13.38%
DUST1	881,369	996,682	(115,313)	-11.57%
PD	2,744,504	3,382,403	(637,899)	-18.86%
PF1	4,032,420	4,635,001	(602,581)	-13.00%
Total, Kgs	8,477,273	9,959,599	(1,482,326)	-14.88%

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Main Grade Out Lots Teas in Sale 01/2024 vs Sale 51/2023 per grade: -

Status	Outlots			
Weight (Kgs)	Sale No			
Grade	1	51	Variance, Kgs	Variance %
BP1	910,467	941,503	(31,036)	-3%
DUST1	264,860	180,456	84,404	47%
PD	1,329,748	1,585,488	(255,740)	-16%
PF1	2,829,274	2,061,137	768,137	37.27%
Total, Kgs	5,334,349	4,768,584	565,765	11.86%

Price

Auction Average Price Movement Sale 01/2024 vs Sale 51/2023

Sale Price(\$)			
Grade	(All)		
	Sale No		
Country	1	51	Variance
Burundi	2.19	2.17	0.02
Kenya	2.30	2.29	0.01
Rwanda	3.24	3.31	(0.06)
Tanzania	0.86	0.87	(0.01)
Uganda	0.83	0.77	0.07
Average	1.88	1.88	

Auction Average Price Movement Per grade across all the Countries in Sale 01 vs Sale 51/2023

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	1	51	Variance	Country	1	51	Variance	Country	1	51	Variance	Country	1	51	Variance
Burundi	2.20	2.19	0.01	Burundi	2.21	2.17	0.03	Burundi	2.05	2.08	(0.03)	Burundi	2.39	2.44	(0.05)
Kenya	2.01	2.05	(0.05)	Kenya	2.44	2.38	0.06	Kenya	2.09	2.22	0.02	Kenya	2.47	2.34	0.13
Rwanda	3.20	3.44	(0.24)	Rwanda	3.10	3.14	(0.05)	Rwanda	3.59	3.49	0.10	Rwanda	3.27	3.28	(0.01)
Tanzania	0.90	0.92	(0.02)	Tanzania	0.72	0.80	(0.07)	Tanzania	0.95	0.95		Tanzania	0.86	0.92	(0.06)
Uganda	0.91	0.91		Uganda	0.66	0.62	0.05	Uganda	0.93	0.80	0.12	Uganda	0.96	0.82	0.14
Average	1.84	1.90	(0.06)	Average	1.83	1.82	0.01	Average	1.92	1.91	0.01	Average	1.99	1.96	0.03

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M2: Flavoury Rwanda and KTDA East of Rift valley BP1s met highly selective demand following quality at irregularly easier rates by up to 130 usc. Slower demand from Kazak and other CIS buyers being absent was notable with most of the teas ending as outlots. Below best BP1s traded irregularly easier by up to 40 usc. KTDA West of Rift valley BP1s sold firm at reserve prices where sold, supported by Pakistan packers, UAE and UK buyers. Kenya Estate BP1s traded firm to easier by up to 20 usc but with a few selected marks gaining up to 40 usc following quality and with the remainder selling at easier rates. Plainer types traded irregularly firm supported by Local packers and South Sudan Buyers.

KTDA East of Rift valley and Rwanda PF1s traded irregularly at firm to easier rates by up to 40 usc following quality. The market started at firm levels but wobbled and shedding up to 20 usc and most teas remaining unsold as the brokers couldn't accept the low bids, but still meeting a healthy absorption. KTDA West of Rift valley PF1s met reduced demand at the reserve prices with reduced demand from Pakistan packers, Bazaar, Afghanistan, UK, Yemen and Japan buyers. High taste Kenya Estate PF1s traded irregularly steady to 10 usc easier while the plainer type PF1s also traded at irregular to slightly easier rates but with improved absorption with demand driven by Pakistan, UK and Egypt buyers.

M1: The M1 auction experienced improved demand this week. High taste Rwanda PDs and Dust 1 teas met significantly improved demand and absorption with teas selling dearer by up to 50 usc following quality with the strong support coming UK, Egypt and Pakistan buyers. KTDA East of Rift valley PD and Dust1s traded at generally easier rates by up to 45 usc and they received significantly reduced inquiry from Yemen Buyers with Pakistan packers, Bazaar, UK and Egypt buyers offering the support. West of Rift valley PDs and Dust1s were sold at the reserve prices where sold but with some reprinted and fresh teas remaining unsold. High taste Kenya PDs teas traded firm to 30 usc dearer following quality, medium PDs traded irregularly firm to dearer by up to 15 usc while the plainer types traded firm up to 10 usc dearer with the strong support, improved absorption and higher price realization driven by the improved demand from UK and Egyptian buyers namely LAB International, James Finlay Mombasa and Mizaj Africa. However, the Dust 1 teas suffered a setback and sold easier by up to 30 usc due to the absence of Yemen Buyers.

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The top ten Buyers in Sale 01 of 2024 are as per below: -

Status	Sold				
Sale No	1				
Sold Packages	Category				
Buyer	M1	M2	M3	S1	Grand Total
GLOBAL TEA & COMMODITIES (K) LTD	5,680	9,400	2,560	2,840	20,480
LAB INTERNATIONAL (K) LTD	10,400	4,480	200	240	15,320
CARGILL KENYA LTD	1,240	7,760	2,520		11,520
CHAI TRADING COMPANY LIMITED	2,320	5,440	2,200	1,060	11,020
JAMES FINLAY MOMBASA LTD	6,360	3,920	160	120	10,560
SSOE (KENYA) LTD	2,440	6,440	640	360	9,880
MOMBASA COFFEE LTD	6,080		160	400	6,640
DEVCHAND KESHAVJI (KENYA) LTD	80	5,840			5,920
STANSAND (AFRICA) LTD		4,280	80	980	5,340
MIZAJ AFRICA LIMITED	4,599	320			4,919

The movement/Variance of the Top Ten Buyers in Sale 01/2024 vs Sale 51/2023: -

Status	Sold		
Category			
Sold Packages	Sale No		
Buyer	1	51	Variance
GLOBAL TEA & COMMODITIES (K) LTD	20,480	20,779	(299)
LAB INTERNATIONAL (K) LTD	15,320	15,720	(400)
CARGILL KENYA LTD	11,520	18,760	(7,240)
CHAI TRADING COMPANY LIMITED	11,020	18,560	(7,540)
JAMES FINLAY MOMBASA LTD	10,560	9,540	1,020
SSOE (KENYA) LTD	9,880	13,620	(3,740)
MOMBASA COFFEE LTD	6,640	8,640	(2,000)
DEVCHAND KESHAVJI (KENYA) LTD	5,920	7,720	(1,800)
STANSAND (AFRICA) LTD	5,340	5,060	280
MIZAJ AFRICA LIMITED	4,919	3,120	1,799

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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 September 2023 Crop figures were released and production improved significantly by 9.96 M Kgs from 38.34 M Kgs recorded during the same period last year to 48.30 M Kgs in September 2023, this represents a 26.01 % growth which is attributed to moderate and well distributed rainfall received coupled with warm temperatures recorded in the tea growing areas in the Highlands West of the Rift Valley and some parts of the Central and South of the Rift Valley..

Due to the favorable weather conditions during the period between April and September 2023, cumulative output for the first nine months of the year 2023 was higher by 32.58 M kgs to stand at 412.22 M kgs against 379.64 M kgs recorded during the same period in 2022 which represents increased production by 8.58%.

Sub-Sector	Region	Sep-23	Sep-22	Var, Kgs	Var, %	Jan-Sept 2023	Jan-Sept 2022	Var, Kgs	Var, %
Plantations	West of Rift	22,700,107	18,361,321	4,338,786	23.63%	198,525,451	173,183,261	25,342,190	14.63%
	East of Rift	2,159,864	1,118,332	1,041,532	93.13%	14,572,790	12,011,811	2,560,979	21.32%
	Total	24,859,971	19,479,653	5,380,318	27.62%	213,098,241	185,195,072	27,903,169	15.07%
Smallholder	West of Rift	8,414,226	7,663,731	750,495	9.79%	86,598,426	88,130,163	(1,531,737)	-1.74%
	East of Rift	15,034,118	11,192,976	3,841,142	34.32%	112,529,356	106,315,966	6,213,390	5.84%
	Total	23,448,344	18,856,707	4,591,637	24.35%	199,127,782	194,446,129	4,681,653	2.41%
Smallholder & Plantations	West of Rift	31,114,333	26,025,052	5,089,281	19.56%	285,123,878	261,313,424	23,810,454	9.11%
	East of Rift	17,193,982	12,311,308	4,882,674	39.66%	127,102,145	118,327,776	8,774,369	7.42%
	Total	48,308,315	38,336,360	9,971,955	26.01%	412,226,023	379,641,200	32,584,823	8.58%

Upcoming Auction: Sale 02 of 2024

Demand is expected to continue being erratic, selective and following quality to all the tea destinations. The ongoing Israel-Palestine war has resulted to the disruption of shipments of teas from Mombasa to various shipment destinations with the Yemen being the most impacted currently which resulted to a significant decrease in their purchases this week, and is expected to negatively impact on the upcoming auctions. The 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 significantly improved their buying this week and were bidding at firm to dearer rates in the M1 catalogue. For now, we recommend selling the teas at the best market price available due to the uncertainty in prices, reduced demand and increased volumes from Kenya Producers due to the favorable growing conditions.

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Auction Closing Figures for Sale 03 vs Sale 02 of 2024: -

Sale No.	3	2	Variance, Kgs	Variance, %
Fresh teas, Pkgs	167,860	166,600	1,260	0.76%
Reprinted teas, Pkgs	104,820	74,900	29,920	39.95%
Total	<u>272,680</u>	<u>236,210</u>	<u>36,470</u>	<u>15.44%</u>
Fresh teas, Kgs	11,363,363	11,621,100	-257,737	-2.22%
Reprinted teas, Kgs	7,057,798	5,044,736	2,013,062	39.90%
Total	<u>18,421,161</u>	<u>15,979,884</u>	<u>2,441,277</u>	<u>15.28%</u>

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