



**ATLAS**  
TEA BROKERS LTD

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

P.O. Box 3445-80100 Mombasa

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18<sup>th</sup> October 2023

### Market Summary for Sale 42 of 2023

There were 175, 240 packages on offer in the M1 & M2 categories this week which was an increase by 0.54% versus Sale 41 where 174,940 pkgs had been offered. There was a slight improvement in demand and absorption with buyers bidding at generally easier rates than last week. This week absorption stood at 66% with 8,074,288 Kgs sold while the average hammer price was firm at USD 1.90 per kg.

The percentage sold was 66% in Sale 42 with 8.1 M Kgs sold versus 64% in Sale 41 where 7.8 M Kgs were sold.

In Sale 42 outlots reduced by 5.32% to 4.1 M Kgs versus 4.3 M Kgs in Sale 41, while KTDA outlots decreased by 2.25% in Sale 42 to 2.6 M Kgs from 2.7 M Kgs in Sale 41. 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 teas.

### Sale 42 vs Sale 41 Auction offerings across all the Countries: -

Offerings				
	Sale No			
Country	42	41	Variance, Kgs	Variance, %
Burundi	20,913	51,763	-30,850	-60%
Kenya	11,028,238	10,719,765	308,473	3%
Rwanda	263,842	253,312	10,530	4%
Tanzania	25,452	42,892	-17,440	-41%
Uganda	833,011	1,038,500	-205,489	-20%
Total, Kgs	12,171,456	12,106,232	65,224	0.54%

### Sale 42 Absorption across all the Countries: -

Sale No	42				
Country	Sold	Outlots	Total	% Sold	% Outlots
Burundi	7,428	13,485	20,913	36%	64%
Kenya	7,272,713	3,755,526	11,028,238	66%	34%
Rwanda	176,984	86,858	263,842	67%	33%
Tanzania	13,624	11,828	25,452	54%	46%
Uganda	603,539	229,472	833,011	72%	28%
Total, Kgs	8,074,288	4,097,169	12,171,456	66%	34%

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Sold teas in Sale 42 vs Sale 41 per grade: -

Status	Sold			
Kgs	Sale No			
Grade	42	41	Variance, Kgs	Variance, %
BP1	737,474	782,812	(45,338)	-5.79%
DUST1	800,686	755,810	44,876	5.94%
PD	2,814,794	2,654,136	160,658	6.05%
PF1	3,721,334	3,585,887	135,447	3.78%
Total, Kgs	8,074,288	7,778,645	295,642	3.80%

Out lots in Sale 42 vs Sale 41 per grade: -

Status	Outlots			
Sum of Net Weight	Sale No			
Grade	42	41	Variance, Kgs	Variance %
BP1	578,107	465,585	112,522	24%
DUST1	284,415	248,146	36,269	15%
PD	1,163,857	1,418,624	(254,767)	-18%
PF1	2,070,790	2,195,232	(124,442)	-5.67%
Total, Kgs	4,097,169	4,327,587	(230,418)	-5.32%

## Price

Auction Average Price Movement Sale 42 vs Sale 41

Sale Price(\$)			
Grade	(All)		
	Sale No		
Country	42	41	Variance
Burundi	2.17	2.02	0.14
Kenya	2.30	2.32	(0.01)
Rwanda	3.47	3.51	(0.04)
Tanzania	0.79	0.87	(0.08)
Uganda	0.75	0.78	(0.03)
Average	1.90	1.90	

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### Auction Average Price Movement Per grade across all the Countries in Sale 42 vs Sale 41

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	42	41	Variance	Country	42	41	Variance	Country	41	40	Variance	Country	41	40	Variance
Burundi		1.95		Burundi	2.17	2.11	0.06	Burundi							-
Kenya	2.21	2.23	(0.02)	Kenya	2.33	2.34	(0.01)	Kenya	2.27	2.30	(0.03)	Kenya	2.39	2.36	0.03
Rwanda	4.14	4.26	(0.11)	Rwanda	3.03	3.42	(0.39)	Rwanda	3.85	3.21	0.64	Rwanda	3.24	3.03	0.21
Tanzania	0.98			Tanzania	0.54	0.78	(0.24)	Tanzania	0.75	1.00	(0.25)	Tanzania		0.76	
Uganda	0.97	1.04	(0.07)	Uganda	0.70	0.72	(0.02)	Uganda	0.70	0.72	(0.02)	Uganda	0.80	0.78	0.02
Average	2.07	2.37	(0.30)	Average	1.75	1.87	(0.12)	Average	1.89	1.81	0.09	Average	2.14	1.73	0.41

**M2:** The Flavoury Rwanda and KTDA East of Rift valley BP1's met selective demand at irregularly firm to easier rates with a few selected lots tending dearer with some lots neglected and with no bids. The West of Rift valley BP1s sold at firm levels with most selling at the reserve prices. They were mainly absorbed by Pakistan packers. The Kenya Estate BP1's sold at irregularly steady to easier levels with support from Pakistan, UK, CIS and Local packers. Plainer BP1's saw improved enquiry where most sold at easier rates than last week.

KTDA East of Rift valley and Rwanda PF1's continues to lose the steam every week and this was largely due to the absence of Afghan and Bazaar operators with most selling easier by 10-40 usc. West of Rift valley PF1s met selective demand following quality from Pakistan packers, Bazaar and the UK. Kenya Estate PF1's sold irregularly steady to easier and got steady demand from Pakistan, UK and Egypt. Plainer types were irregularly steady to easier meeting selective demand from Pakistan, local packers and Russia.

**M1:** There was a significant improvement in activity and demand in the M1 auction this week where most teas on offer were absorbed but at slightly firm to dearer levels than last week especially for the best types Kenya Estates. Rwanda and KTDA East of Rift valley PDs and D1s traded at dearer rates by 5-10 usc following quality and maintained inquiry from Yemen, Pakistan packers with UK and Egyptian buyers. West of Rift valley PDs and D1s remained firm at the reserve prices. Kenyan Estate and Mediums PDs and D1s traded at firm to dearer by 5-20 usc with strong support from Egyptian buyers, UK and Yemen. Plainer types remained steady to easier with some being neglected and ended out as out lots.

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The top ten Buyers in Sale 42 of 2023 are as per below: -

Status	Sold				
Sale No	42				
Sold Packages	Grade				
Buyer	BP1	DUST1	PD	PF1	Grand Total
Chai Trading Company Ltd	2,560	480	3,520	12,760	19,320
Global Teas and Commodities Ltd	1,680	1,000	2,880	8,760	14,320
LAB International	120	2,320	6,640	3,200	12,280
Cargill Kenya Limited	1,840		2,400	5,840	10,080
James Finlay Mombasa Ltd	280	480	7,120	920	8,800
Mombasa Coffee Ltd	80	2,480	4,840	480	7,880
Devchand Keshavji (K) Ltd				7,200	7,200
Mizaj Africa Ltd	80	480	3,960	1,280	5,800
Shakab Importers and Exporters Ltd	1,200		160	2,040	3,400
MJ Clarke Ltd		400	1,960	880	3,240

The movement/Variance of the Top Ten Buyers in Sale 42 vs Sale 41 2023: -

Status	Sold		
Grade			
Sold Packages	Sale No		
Buyer	42	41	Variance
Chai Trading Company Ltd	19,320	19,600	(280)
Global Teas and Commodities Ltd	14,320	17,380	(3,060)
LAB International	12,280	12,020	260
Cargill Kenya Limited	10,080	7,680	2,400
James Finlay Mombasa Ltd	8,800	9,080	(280)
Mombasa Coffee Ltd	7,880	8,160	(280)
Devchand Keshavji (K) Ltd	7,200	4,320	2,880
Mizaj Africa Ltd	5,800	3,120	2,680
Shakab Importers and Exporters Ltd	3,400	1,160	2,240
MJ Clarke Ltd	3,240	4,080	(840)

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## Weather and Crop

Weather conditions in the tea growing areas remain normal for the time of the year. Rainfall continued to be recorded in various parts of the Highlands East & West of the Rift Valley. Early morning cloudiness with occasional light rains was recorded in a few places giving way to sunny intervals. The harvested crop has increased.

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%
<b>Total</b>		<b>26,503,106</b>	<b>21,280,018</b>	<b>5,223,088</b>	<b>24.54%</b>	<b>160,786,040</b>	<b>143,140,130</b>	<b>17,645,910</b>	<b>12.33%</b>
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%
<b>Total</b>		<b>18,193,509</b>	<b>12,723,449</b>	<b>5,470,060</b>	<b>42.99%</b>	<b>157,554,014</b>	<b>162,103,886</b>	<b>-4,549,872</b>	<b>-2.81%</b>
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%
<b>Totals</b>		<b>44,696,615</b>	<b>34,003,467</b>	<b>10,693,148</b>	<b>31.45%</b>	<b>318,340,054</b>	<b>305,244,015</b>	<b>13,096,039</b>	<b>4.29%</b>

## Upcoming Auction: Sale 43 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.	44	43	Variance, Kgs	Variance, %
Fresh teas, Pkgs	141,760	147,500	-5,740	-3.89%
Reprinted teas, Pkgs	60,740	55,140	5,600	10.16%
Total	<u>202,500</u>	<u>202,640</u>	<u>-140</u>	<u>-0.07%</u>
Fresh teas, Kgs	9,624,185	10,015,250	-391,065	-3.90%
Reprinted teas, Kgs	4,079,665	3,732,727	346,938	9.29%
Total	<u>13,703,850</u>	<u>13,747,977</u>	<u>-44,127</u>	<u>-0.32%</u>

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