



29<sup>th</sup> November 2023

### Market Summary for Sale 49 of 2023

There were 242, 940 packages on offer in the M1 & M2 categories in Sale 48 vs Sale 47 where 237,320 pkgs had been offered which was an increase by 2.42%. There was irregular demand and absorption with buyers bidding at generally firm to easier rates than last week selectively following quality. This week absorption stood at 54% with 8,934,748 Kgs sold while the average hammer price was up by 4 usc at USD 1.97 per kg.

The percentage sold was 54% in Sale 48 with 8.9 M Kgs sold versus 56% in Sale 47 where 9.2 M Kgs were sold which was a decrease by 2.63%.

In Sale 48 outlots increased by 8.93% to 7.8 M Kgs versus 7.1 M Kgs in Sale 47, while KTDA outlots increased significantly by 10.78% in Sale 48 to 6.2 M Kgs from 5.6 M Kgs in Sale 47. The huge outlots was mainly caused the reprinting of the older KTDA teas (6-15 times) that were re-instated into the auction system but have again attracted very low demand and going out as outlots.

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 48 vs Sale 47 Auction offerings across all the Countries: -

Offerings				
	Sale No			
Country	48	47	Variance, Kgs	Variance, %
Burundi	73,284	75,490	-2,206	-3%
Kenya	14,672,673	14,178,042	494,631	3%
Rwanda	569,848	466,944	102,904	22%
Tanzania	142,708	162,880	-20,172	-12%
Uganda	1,237,702	1,418,007	-180,305	-13%
Total, Kgs	16,696,215	16,301,363	394,852	2.42%

### Sale 48 Absorption across all the Countries: -

Sale No	48				
Country	Sold	Outlots	Total	% Sold	% Outlots
Burundi	54,872	18,412	73,284	75%	25%
Kenya	7,346,142	7,326,531	14,672,673	50%	50%
Rwanda	486,076	83,772	569,848	85%	15%
Tanzania	129,432	13,276	142,708	91%	9%
Uganda	918,226	319,476	1,237,702	74%	26%
Total, Kgs	8,934,748	7,761,467	16,696,215	54%	46%

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Sale 48 vs Sale 47 Auction Absorption across all the Countries: -

Absorption				
	Sale No			
Country	48	47	Variance, Kgs	Variance, %
Burundi	54,872	39,680	15,192	38%
Kenya	7,346,142	7,623,404	-277,262	-4%
Rwanda	486,076	382,244	103,832	27%
Tanzania	129,432	148,144	-18,712	-13%
Uganda	918,226	982,627	-64,401	-7%
Total, Kgs	8,934,748	9,176,099	-241,351	-2.63%

Sold teas Per Grade in Sale 48 vs Sale 47 per grade: -

Status	Sold			
Kgs	Sale No			
Grade	48	47	Variance, Kgs	Variance, %
BP1	872,384	898,712	(26,328)	-2.93%
DUST1	1,082,714	1,110,708	(27,994)	-2.52%
PD	3,045,142	2,943,680	101,462	3.45%
PF1	3,934,508	4,222,999	(288,491)	-6.83%
Total, Kgs	8,934,748	9,176,099	(241,351)	-2.63%

Out lots Per Grade in Sale 48 vs Sale 47 per grade: -

Status	Outlots			
Weight (Kgs)	Sale No			
Grade	48	47	Variance, Kgs	Variance %
BP1	1,758,939	1,707,917	51,022	3%
DUST1	480,514	566,300	(85,786)	-15%
PD	2,088,692	1,952,938	135,754	7%
PF1	3,433,322	2,898,109	535,213	18.47%
Total, Kgs	7,761,467	7,125,264	636,203	8.93%

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### Price

#### Auction Average Price Movement Sale 48 vs Sale 47

Sale Price(\$)			
Grade	(All)		
	Sale No		
Country	48	47	Variance
Burundi	2.06	2.01	0.05
Kenya	2.41	2.31	0.09
Rwanda	3.46	3.34	0.12
Tanzania	1.10	1.17	(0.08)
Uganda	0.82	0.81	0.01
Average	1.97	1.93	0.04

#### Auction Average Price Movement Per grade across all the Countries in Sale 48 vs Sale 47

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	48	47	Variance		Country	48	47	Variance		Country	48	47	Variance		Country	48	47	Variance	
Burundi	1.87	1.21	0.66		Burundi	2.06	2.07	(0.01)		Burundi	2.00	2.00			Burundi	2.38	2.56	(0.19)	
Kenya	2.33	2.14	0.19		Kenya	2.60	2.46	0.14		Kenya	2.13	2.11	0.02		Kenya	2.48	2.36	0.12	
Rwanda	4.36	3.71	0.65		Rwanda	3.15	3.21	(0.06)		Rwanda	3.43	3.27	0.16		Rwanda	3.19	3.10	0.10	
Tanzania	1.13	1.14	(0.01)		Tanzania	1.12	1.17	(0.05)		Tanzania	1.03	1.22	(0.19)		Tanzania	0.90	1.14	(0.24)	
Uganda	1.14	1.17	(0.03)		Uganda	0.80	0.78	0.02		Uganda	0.75	0.73	0.02		Uganda	0.78	0.76	0.02	
Average	2.17	1.88	0.29		Average	1.95	1.94	0.01		Average	1.87	1.87			Average	1.95	1.98	(0.04)	

**M2:** Flavoury Best and Medium Rwanda and KTDA East of Rift valley BP1's met very strong demand mainly from UK, India, Kazak and CIS countries following quality at firm to dearer rates with some marks appreciating by up 150 usc. KTDA West of Rift valley BP1's met fair but reduced demand and were selling at the reserve prices, Burundi BP1's met improved demand and sold at dearer rates versus last week. Kenya Estates and Medium BP1's sold at irregularly steady to easier levels with a few quality types tending dearer. They met good demand from Pakistan, CIS and South Sudan while local packers were less active than last week with most of the teas selling easier than last week and an increase in outlots this week due to low bids and no bids.

KTDA East of Rift valley and Rwanda PF1's were the biggest losers this week with most of the teas selling easier by up to 30 usc versus last week. They opened on a firm note and continued to depreciate as the auction progressed. Pakistan packers, Bazaar, Afghanistan, UK and Yemen led the strong support but at easier rates than Sale 47. West of Rift valley met reduced demand and absorption mainly from Pakistan packers, Bazar and the UK with most buyers selectively bidding on the old reprinted teas offered at 217 usc but following quality and the fresh teas going out as outlots as there were no bids. There was a strong demand for the Best and Medium Kenya Estate PF1's which have a better leaf appearance with some marks gaining up to 40 usc with the support coming from Pakistan Packers, Bazaar and Afghanistan buyers. Medium PF1's were

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irregularly firm to slightly dearer, with most of the older reprints continuing to be neglected and ended as outlots. Plainer and Foreign types attracted demand from Pakistan, UK and local packers.

**M1:** Rwanda and KTDA East of Rift valley PDs and Dust 1s continue to maintain a very strong demand and absorption resulting to higher price realization with most of the teas selling dearer by between 10-30 usc. These teas have continued to get strong support from Yemen, Pakistan packers and UK buyers. West of Rift valley PD`s and Dust 1`s met steady but highly selective demand following quality selling at reserve prices with support coming from UK, Yemen and Pakistan packers with Egyptian buyers lending some support but with the major buyer Cargill Kenya Limited offering very little support. Kenya Estate and Medium PD`s and Dust 1`s traded at irregularly easier levels by up to 40 usc as a result of significant reduction in demand from the Egyptian Buyers which has impacting negatively the price realization and absorption for the third week now.

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The top ten Buyers in Sale 48 of 2023 are as per below: -

Status	Sold				
Sale No	48				
Sold Packages	Grade				
Buyer	BP1	DUST1	PD	PF1	Grand Total
CHAI TRADING COMPANY LIMITED	5,120	2,080	5,880	11,600	24,680
GLOBAL TEA & COMMODITIES (K) LTD	2,800	2,080	3,960	9,300	18,140
LAB INTERNATIONAL (K) LTD	160	2,640	9,080	4,360	16,240
CARGILL KENYA LTD	760	200	2,080	8,760	11,800
SSOE (KENYA) LTD	1,320	960	1,680	5,080	9,040
MOMBASA COFFEE LTD	160	2,880	5,400		8,440
MJ CLARKE LTD		600	5,600	1,000	7,200
DEVCHAND KESHAVJI (KENYA) LTD			80	5,800	5,880
IMPERIAL TEAS (EPZ) LTD		960	2,360	120	3,440
ABBAS TRADERS LTD	40	280	1,480	1,120	2,920

The movement/Variance of the Top Ten Buyers in Sale 48 vs Sale 47 2023: -

Status	Sold		
Grade			
Sold Packages	Sale No		
Buyer	48	47	Variance
CHAI TRADING COMPANY LIMITED	24,680	28,560	(3,880)
GLOBAL TEA & COMMODITIES (K) LTD	18,140	16,960	1,180
LAB INTERNATIONAL (K) LTD	16,240	17,780	(1,540)
CARGILL KENYA LTD	11,800	12,520	(720)
SSOE (KENYA) LTD	9,040	11,080	(2,040)
MOMBASA COFFEE LTD	8,440	8,000	440
MJ CLARKE LTD	7,200	4,480	2,720
DEVCHAND KESHAVJI (KENYA) LTD	5,880	4,960	920
IMPERIAL TEAS (EPZ) LTD	3,440	1,040	2,400
ABBAS TRADERS LTD	2,920	2,600	320

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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 August 2023 Crop figures were released and production increased significantly by 9.51 M Kgs from 26.06 M Kgs recorded during the same period year to stand at 45.57 M Kgs in August 2023, this represents a 26.39 % growth which is attributed to the occasional rainfall received coupled with the generally warmer weather conditions experienced in the tea growing areas.

Due to the favorable weather conditions in the months of April to August 2023, production for the first eight months of 2023 was higher by 22.54 M kgs to stand at 363.91 M kgs against 341.36 M kgs recorded during the same period in 2022 which represents increased production by 6.61%.

Sub-Sector	Region	Aug-23	Aug-22	Var, Kgs	Var, %	Jan-Aug 2023	Jan-Aug 2022	Var, Kgs	Var, %
Plantations	West of Rift	25,940,851	21,656,433	4,284,418	19.78%	175,825,344	154,821,940	21,003,404	13.57%
	East of Rift	1,511,379	918,856	592,523	64.48%	12,412,926	10,893,479	1,519,447	13.95%
	Total	27,452,230	22,575,289	4,876,941	21.60%	188,238,270	165,715,419	22,522,851	13.59%
Smallholder	West of Rift	9,715,501	7,574,992	2,140,509	28.26%	78,184,200	80,530,501	(2,346,301)	-2.91%
	East of Rift	8,409,922	5,910,544	2,499,378	42.29%	97,495,238	95,122,990	2,372,248	2.49%
	Total	18,125,423	13,485,536	4,639,887	34.41%	175,679,438	175,653,491	25,947	0.01%
Smallholder & Plantations	West of Rift	35,656,352	29,231,425	6,424,927	21.98%	254,009,544	235,352,441	18,657,103	7.93%
	East of Rift	9,921,301	6,829,400	3,091,901	45.27%	109,908,163	106,016,468	3,891,695	3.67%
	Total	45,577,653	36,060,825	9,516,828	26.39%	363,917,707	341,368,909	22,548,798	6.61%

### Upcoming Auction: Sale 49 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 on PF1, PD and Dust 1 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 significantly reduced their buying for the last two weeks and are bidding at easier 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 50 vs Sale 49 2023: -

Sale No.	50	49	Variance, Kgs	Variance, %
Fresh teas, Pkgs	162,180	155,400	6,780	4.36%
Reprinted teas, Pkgs	86,479	103,160	-16,681	-16.17%
Total	<u>248,659</u>	<u>258,560</u>	<u>-9,901</u>	<u>-3.83%</u>
Fresh teas, Kgs	10,998,548	10,533,219	465,329	4.42%
Reprinted teas, Kgs	5,814,111	6,986,091	-1,171,980	-16.78%
Total	<u>16,812,659</u>	<u>17,519,310</u>	<u>-706,651</u>	<u>-4.03%</u>

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