ATLAS TEA BROKERS LTD

Sec,1 M.Nyali,(off Links Shell Petro Station)
P.O. Box 3445-80100 Mombasa
Tel: 0711 509979
Email:info@atlastea.co.ke

31st January 2024

Market Summary for Sale 05 of 2024

There were 19,217,236 Kgs on offer in all the categories in Sale 05 of 2024 vs Sale 04 of 2024 where 20,010,503 Kgs had been offered which was a decrease by 3.96%. There was a significant decrease in demand and absorption with buyers bidding at generally irregular rates than last auction and buying lower volumes than last week with absorption decreasing by 12.51%. This week absorption stood at 55% with 10,557,553 Kgs sold while the average hammer price was up by 2 usc at USD 1.92 per kg.

The percentage sold was 55% in Sale 05/2024 with 10.6 M Kgs sold versus 60% in Sale 04/2024 where 12.1 M Kgs were sold which was a decrease by 12.51%. In Sale 05 outlots increased significantly by 9.01% to 8.7 M Kgs versus 7.9 M Kgs in Sale 04. KTDA absorption decreased by 2.65% from 4.9 M Kgs in Sale 04/2024 to 4.8 M Kgs in Sale 05/2024 while outlots increased significantly by 5.74% in Sale 05 to 7.1 M Kgs from 6.8 M Kgs in Sale 04/2024.
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 05/2024 vs Sale 04/2024 Auction offerings across all the Countries: -

Offerings				
	Sale No			
Country	5	4	Variance, Kgs	Variance, %
Burundi	116,572	95,129	21,443	23%
Kenya	16,511,013	17,056,843	-545,830	-3%
Rwanda	869,456	838,166	31,290	4%
Tanzania	330,688	273,768	56,920	21%
Uganda	1,389,507	1,746,597	-357,090	-20%
Total, Kgs	19,217,236	20,010,503	-793,267	-3.96%

Sale 05/2024 Absorption across all the Countries: -

Sale No	5				
Country	Sold	Outlots	Total	% Sold	% Outlots
Burundi	57,596	58,976	116,572	49%	51%
Kenya	8,440,129	8,070,884	16,511,013	51%	49%
Rwanda	661,084	208,372	869,456	76%	24%
Tanzania	175,684	155,004	330,688	53%	47%
Uganda	1,223,060	166,447	1,389,507	88%	12%
Total, Kgs	10,557,553	8,659,683	19,217,236	55%	45%

We know tea

ATLAS TEA BROKERS LTD
Sec,1 M.Nyali,(off Links Shell Petro Station)
P.O. Box 3445-80100 Mombasa
Tel: 0711 509979
Email:info@atlastea.co.ke

Sale 05/2024 vs Sale 04/2024 Auction Absorption across all the Countries: -

Absorption				
	Sale No			
Country	5	4	Variance, Kgs	Variance, %
Burundi	57,596	86,391	-28,795	-33%
Kenya	8,440,129	9,453,306	-1,013,177	-11%
Rwanda	661,084	689,442	-28,358	-4%
Tanzania	175,684	240,748	-65,064	-27%
Uganda	1,223,060	1,596,745	-373,685	-23%
Total, Kgs	10,557,553	12,066,632	-1,509,079	-12.51%

Sale 05/2024 vs Sale 04/2024 Auction Outlots across all the Countries: -

Outlots				
	Sale No			
Country	5	4	Variance, Kgs	Variance, %
Burundi	58,976	8,738	50,238	575%
Kenya	8,070,884	7,603,537	467,347	6%
Rwanda	208,372	148,724	59,648	40%
Tanzania	155,004	33,020	121,984	369%
Uganda	166,447	149,852	16,595	11%
Total, Kgs	8,659,683	7,943,871	715,812	9.01%

Main Grade Teas Sold in Sale 05/2024 vs Sale 04/2024 per grade: -

Status	Sold			
Kgs	Sale No			
Grade	5	4	Variance, Kgs	Variance, %
BP1	840,362	1,069,504	(229,142)	-21.43%
DUST1	811,971	999,832	(187,861)	-18.79%
PD	3,166,642	3,379,418	(212,776)	-6.30%
PF1	4,463,455	5,070,740	(607,285)	-11.98%
Total, Kgs	9,282,430	10,519,494	(1,237,064)	-11.76%

We know tea

ATLAS TEA BROKERS LTD
Sec,1 M.Nyali,(off Links Shell Petro Station)
P.O. Box 3445-80100 Mombasa
Tel: 0711 509979
Email:info@atlastea.co.ke

Main Grade Out Lots Teas in Sale 05/2024 vs Sale 04/2024 per grade: -

Status	Outlots			
Weight (Kgs)	**Sale No**			
Grade	**5**	**4**	**Variance, Kgs**	**Variance %**
BP1	**1,860,147**	**1,921,828**	**(61,681)**	**-3%**
DUST1	**487,672**	**467,193**	**20,479**	**4%**
PD	**1,876,649**	**1,922,360**	**(45,711)**	**-2%**
PF1	**4,189,980**	**3,443,633**	**746,347**	**21.67%**
Total, Kgs	**8,414,448**	**7,755,014**	**659,434**	**8.50%**

Sold Reprinted teas in Sale 05/2024

Only 1,097,680 Kgs (16%), of the Reprinted Teas were sold

Sale No	5							
Status	(Multiple Item							
Sum of Total W	**RP**							
Country	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**Grand Total**
Burundi	17,644							17,644
Kenya	506,790	131,324	58,638	91,740	16,472	10,828	3,140	818,932
Rwanda	61,832	11,264	2,704					75,800
Tanzania	15,868	1,988						17,856
Uganda	129,744	34,132	2,388	1,184				167,448
Grand Total	**731,878**	**178,708**	**63,730**	**92,924**	**16,472**	**10,828**	**3,140**	**1,097,680**

Unsold Reprinted teas in Sale 05/2024

5,574,009 Kgs (84%), of the Reprinted Teas remained unsold

Sale No	5													
Status	(Multiple Item													
Sum of Total W	**RP**													
Country	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**13**	**14**	**Grand Total**
Burundi	14,032	4,816	7,088	2,712										28,648
Kenya	1,699,874	1,008,651	724,887	684,485	546,187	252,880	379,890	38,922	19,616	10,832	3,124	21,848	3,112	5,394,308
Rwanda	56,040	21,704	7,872											85,616
Tanzania	18,208	4,660	4,696											27,564
Uganda	21,959	10,960	2,476	2,478										37,873
Grand Total	**1,810,113**	**1,050,791**	**747,019**	**689,675**	**546,187**	**252,880**	**379,890**	**38,922**	**19,616**	**10,832**	**3,124**	**21,848**	**3,112**	**5,574,009**

We know tea

ATLAS TEA BROKERS LTD
Sec,1 M.Nyali,(off Links Shell Petro Station)
P.O. Box 3445-80100 Mombasa
Tel: 0711 509979
Email:info@atlastea.co.ke

Price

Auction Average Price Movement Sale 05/2024 vs Sale 04/20234

Sale Price($)			
Grade	(All)		
	Sale No		
Country	5	4	Variance
Burundi	1.98	2.16	(0.19)
Kenya	2.36	2.30	0.06
Rwanda	3.51	3.32	0.19
Tanzania	0.88	0.86	0.02
Uganda	0.87	0.83	0.04
Average	1.92	1.89	0.02

Auction Average Price Movement Per grade across all the Countries in Sale 05 vs Sale 04/2024

Grade	BP1		
Sale Price($)			
	Sale No		
Country	5	4	Variance
Burundi	2.07	2.11	(0.05)
Kenya	2.05	2.09	(0.04)
Rwanda	3.58	3.46	0.12
Tanzania	0.81	0.81	
Uganda	0.95	0.88	0.07
Average	1.89	1.87	0.02

Grade	PF1		
Sale Price($)			
	Sale No		
Country	5	4	Variance
Burundi	2.10	2.24	(0.14)
Kenya	2.51	2.43	0.08
Rwanda	3.36	3.16	0.20
Tanzania	0.83	0.79	0.04
Uganda	0.74	0.73	
Average	1.91	1.87	0.04

Grade	PD		
Sale Price($)			
	Sale No		
Country	5	4	Variance
Burundi	1.68	2.09	(0.40)
Kenya	2.20	2.15	0.05
Rwanda	3.72	3.53	0.19
Tanzania	1.02	1.05	(0.03)
Uganda	0.94	0.92	0.03
Average	1.91	1.94	(0.03)

Grade	DUST1		
Sale Price($)			
	Sale No		
Country	5	4	Variance
Burundi	1.86	2.00	(0.14)
Kenya	2.41	2.32	0.09
Rwanda	3.39	3.16	0.23
Tanzania	0.95	0.94	0.01
Uganda	0.97	0.90	0.07
Average	1.92	1.87	0.05

M2: Flavory Rwanda and KTDA East of Rift valley BP1s sold at irregularly firm to dearer rates due to improved demand from UK, Egypt, Kazak, CIS and Pakistan buyers. Below best traded firm to dearer following quality while KTDA West of Rift valley BP1s remained firm and with most of the teas remained unsold. Kenya Estate BP1s lost momentum this week with most selling easier than last weeks following quality and some remaining unsold due to poor quality and low demand. Medium quality types traded firm while the remainder easier and the plainer types traded irregularly firm to dearer with very strong demand and support from South Sudan and the local packers.
Rwanda and KTDA East of Rift valley PF1s continued to sell dearer rates for the second week with sustained strong demand from Pakistan packers, Bazaar, UK, Egypt and Yemen Buyers. KTDA West of Rift valley PF1s traded firm at the reserve price following quality with the steady demand coming from Pakistan packers, Bazaar, UK and Yemen buyers. Kenya Estate High taste and medium PF1s continued to trade irregularly firm to dearer rates following quality with strong demand from Pakistan packers, Bazaar, UK and Egypt buyers.

We Know Tea

Sec,1 M.Nyali,(off Links Shell Petro Station)
P.O. Box 3445-80100 Mombasa
Tel: 0711 509979
Email:info@atlastea.co.ke

M1: The M1 auction met improved demand at generally firm to dearer rates across all the categories of teas on offer. Rwanda and KTDA East of Rift valley PDs and Dust 1 teas continued where they stopped last week and they recorded improved absorption and sold dearer by up to 20-30 usc. KTDA West of Rift valley PDs and Dust 1 teas sold at the reserve prices following quality where sold but with a huge volume remaining unsold as there was low demand. Kenya Estate PDs met improved demand and absorption while the Dust 1 teas met irregular demand with some of the teas selling easier by up to 30 usc and others dearer by up to 40 usc following quality where sold and with some teas not selling due to poor quality with most of the quality concerns being high firing. The UK, Egyptian, Yemen and Pakistan packers lent support for this week's dust auction although Yemen buying was lower than last week.

Upcoming Auction: Sale 06 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.

There has been a marginal improvement in price in the first five sales of 2024, despite the huge supply of teas in the auction coupled with reduced demand from the key markets, payment and shipment challenges, as well as buyers anticipating continued huge printing of teas in the coming auctions due to the favorable weather conditions in the tea growing areas and the ongoing fertilizer application by the KTDA smallholder farmers will result in production of high tea volumes.

Offerings in the coming auctions continue to be a record high offering of fresh teas with 12,082,586 Kgs and 11,422,605 Kgs printed in Sale 06 and Sale 07 respectively. The huge outlots in both Sale 06 and 07, a total of 15,906,029 Kgs and the unsold teas in this weeks, Sale 05 which as at now stand at 7,181,814 Kgs have also highly contributed to the depressed prices being realized in the auction and will continue to negatively affect the realized prices due to these huge carry over volumes. Although most of the tea consuming countries are experiencing winter conditions which may result into increased tea consumption in these countries, the expected increase in demand for tea may be too low compared to the increase in supply of tea which may impact on the price realization in the auction.

ATLAS TEA BROKERS LTD
Sec,1 M.Nyali,(off Links Shell Petro Station)
P.O. Box 3445-80100 Mombasa
Tel: 0711 509979
Email:info@atlastea.co.ke

The top ten Buyers in Sale 05 of 2024 are as per below: -

Status	Sold				
Sale No	5				
Sold Packages	Category				
Buyer	M1	M2	M3	S1	Grand Total
JAMES FINLAY MOMBASA LTD	9,360	4,560	2,740	2,080	18,740
CHAI TRADING COMPANY LIMITED	2,760	12,720	1,500	500	17,480
LAB INTERNATIONAL (K) LTD	8,000	5,120	40	380	13,540
CARGILL KENYA LTD	4,040	6,720	2,040		12,800
GLOBAL TEA & COMMODITIES (K) LTD	3,160	2,920	1,800	4,500	12,380
DEVCHAND KESHAVJI (KENYA) LTD	200	9,240			9,440
MOMBASA COFFEE LTD	7,160	1,200	160	500	9,020
VAN REES KENYA LTD	1,920	4,080	560	220	6,780
SSOE (KENYA) LTD	1,840	2,680	1,480	500	6,500
MJ CLARKE LTD	2,440	1,280	80	1,280	5,080

The movement/Variance of the Top Ten Buyers in Sale 05/2024 vs Sale 04/2024: -

Status	Sold		
Category			
Sold Packages	Sale No		
Row Labels	5	4	Variance
JAMES FINLAY MOMBASA LTD	18,740	15,260	3,480
CHAI TRADING COMPANY LIMITED	17,480	24,340	(6,860)
LAB INTERNATIONAL (K) LTD	13,540	15,520	(1,980)
CARGILL KENYA LTD	12,800	11,160	1,640
GLOBAL TEA & COMMODITIES (K) LTD	12,380	20,780	(8,400)
DEVCHAND KESHAVJI (KENYA) LTD	9,440	10,360	(920)
MOMBASA COFFEE LTD	9,020	9,940	(920)
VAN REES KENYA LTD	6,780	6,680	100
SSOE (KENYA) LTD	6,500	4,200	2,300
MJ CLARKE LTD	5,080	6,300	(1,220)

We know tea

ATLAS TEA BROKERS LTD

Sec,1 M.Nyali,(off Links Shell Petro Station)
P.O. Box 3445-80100 Mombasa
Tel: 0711 509979
Email:info@atlastea.co.ke

Weather and Crop

Weather conditions remain conducive for growing tea with most of the tea factories operating in full capacity. Regular rainfall with slightly decreasing day temperatures is causing crop intake to remain steady in Kenya East of Rift valley while in areas of Kenya West of Rift valley recorded heavy rainfall, day temperatures decreased while night temperatures increased and the crop intake increased marginally. The crop being harvested is at season's level.

The Kenya November 2023 Crop figures were released and production improved slightly by 1.68 M Kgs from 49.22 M Kgs recorded during the same period last year in 2022 to 50.90 M Kgs in November 2023, this represents a 3.42 % growth which is attributed to wet weather conditions experienced in the tea growing areas in the country. Due to the continued favorable weather conditions during the period between April and November 2023, cumulative output for the first eleven months of the year 2023 was higher by 37.92 M kgs to stand at 515.92 M kgs against 477.99 M kgs recorded during the same period in 2022 which represents increased production by 7.94%.

Sub-Sector	Region	Nov-23	Nov-22	Var, Kgs	Var, %	Jan-Nov 2023	Jan-Nov 2022	Var, Kgs	Var, %
Plantations	West of Rift	23,926,933	25,393,506	(1,466,573)	-5.78%	247,159,048	218,386,655	28,772,393	13.17%
	East of Rift	1,960,231	1,762,336	197,895	11.23%	19,151,215	16,862,605	2,288,610	13.57%
	Total	25,887,164	27,155,842	(1,268,678)	-4.67%	266,310,263	235,249,260	31,061,003	13.20%
Smallholder	West of Rift	10,436,626	10,241,612	195,014	1.90%	108,367,912	108,344,136	23,776	0.02%
	East of Rift	14,581,359	11,822,805	2,758,554	23.33%	141,246,039	134,401,260	6,844,779	5.09%
	Total	25,017,985	22,064,417	2,953,568	13.39%	249,613,951	242,745,396	6,868,555	2.83%
Smallholder & Plantations	West of Rift	34,363,559	35,635,117	(1,271,558)	-3.57%	355,526,960	326,730,791	28,796,169	8.81%
	East of Rift	16,541,964	13,585,141	2,956,823	21.77%	160,397,254	151,263,864	9,133,390	6.04%
	Total	50,905,523	49,220,258	1,685,265	3.42%	515,924,214	477,994,655	37,929,559	7.94%

Sec,1 M.Nyali,(off Links Shell Petro Station)
P.O. Box 3445-80100 Mombasa
Tel: 0711 509979
Email:info@atlastea.co.ke

Auction Closing Figures for Sale 07 vs Sale 06 of 2024: -

Sale No.	7	6	Variance, Kgs	Variance, %
Fresh teas, Pkgs	168,080	178,400	-10,320	-5.78%
Reprinted teas, Pkgs	119,879	116,140	3,739	3.22%
Total	287,959	294,540	-6,581	-2.23%
Fresh teas, Kgs	11,422,605	12,082,586	-659,981	-5.46%
Reprinted teas, Kgs	8,102,581	7,803,448	299,133	3.83%
Total	19,525,186	19,886,034	-360,849	-1.81%

Atlas Tea Brokers Limited

We know tea

ATLAS
TEA BROKERS LTD

Sec,1 M.Nyali,(off Links Shell Petro Station)
P.O. Box 3445-80100 Mombasa
Tel: 0711 509979
Email:info@atlastea.co.ke