



25th October 2023

Market Summary for Sale 43 of 2023

There were 184,275 packages on offer in the M1 & M2 categories this week which was an increase by 4.5% versus Sale 42 where 175,240 pkgs had been offered. There was a improvement in demand and absorption with buyers bidding at generally easier rates than last week. This week absorption stood at 68% with 8,622,721 Kgs sold while the average hammer price was down by 3 usc at USD 1.87 per kg.

The percentage sold was 68% in Sale 43 with 8.6 M Kgs sold versus 67% in Sale 42 where 8.2 M Kgs were sold. The improved absorption is attributed to improved demand for KTDA teas where the sales this week increased by 8.51% from 4.4 M kgs in Sale 42 to 4.8 M Kgs in Sale 43.

In Sale 43 outlots increased by 2.95% to 4.1 M Kgs versus 3.9 M Kgs in Sale 42, while KTDA outlots increased marginally by 0.53% in Sale 43 to 2.6M Kgs from 2.5 M Kgs in Sale 42. 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 43 vs Sale 42 Auction offerings across all the Countries: -

Offerings				
	Sale No			
Country	43	42	Variance, Kgs	Variance, %
Burundi	41,826	20,913	20,913	100%
Kenya	11,357,698	11,028,238	329,460	3%
Rwanda	223,940	263,842	-39,902	-15%
Tanzania	218,084	25,452	192,632	757%
Uganda	877,137	833,011	44,126	5%
Total, Kgs	12,718,685	12,171,456	547,229	4.50%

Sale 43 Absorption across all the Countries: -

Sale No	42				
Country	Sold	Outlots	Total	% Sold	% Outlots
Burundi	31,226	10,600	41,826	75%	25%
Kenya	7,654,098	3,703,600	11,357,698	67%	33%
Rwanda	168,920	55,020	223,940	75%	25%
Tanzania	154,600	63,484	218,084	71%	29%
Uganda	613,877	263,260	877,137	70%	30%
Total, Kgs	8,622,721	4,095,964	12,718,685	68%	32%

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Sold teas in Sale 43 vs Sale 42 per grade: -

Status	Sold			
Kgs	Sale No			
Grade	43	42	Variance, Kgs	Variance, %
BP1	848,730	739,954	108,776	14.70%
DUST1	809,270	800,686	8,584	1.07%
PD	2,789,067	2,840,222	(51,155)	-1.80%
PF1	4,175,655	3,811,962	363,693	9.54%
Total, Kgs	8,622,721	8,192,824	429,897	5.25%

Out lots in Sale 43 vs Sale 42 per grade: -

Status	Outlots			
Sum of Net Weigh	Sale No			
Grade	43	42	Variance, Kgs	Variance %
BP1	492,777	575,627	(82,850)	-14%
DUST1	270,880	284,415	(13,535)	-5%
PD	1,419,714	1,138,429	281,285	25%
PF1	1,912,594	1,980,162	(67,568)	-3.41%
Total, Kgs	4,095,964	3,978,633	117,332	2.95%

Price

Auction Average Price Movement Sale 43 vs Sale 42

Sale Price(\$)			
Grade	(All)		
	Sale No		
Country	43	42	Variance
Burundi	2.11	2.17	(0.06)
Kenya	2.29	2.29	
Rwanda	3.34	3.47	(0.13)
Tanzania	0.92	0.79	0.13
Uganda	0.68	0.75	(0.06)
Average	1.87	1.89	(0.02)

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Auction Average Price Movement Per grade across all the Countries in Sale 43 vs Sale 42

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	43	42	Variance	Country	43	42	Variance	Country	43	42	Variance	Country	43	42	Variance
Burundi				Burundi	2.07	2.17	(0.09)	Burundi	2.03			Burundi	2.54		
Kenya	2.19	2.20	(0.01)	Kenya	2.32	2.32		Kenya	2.28	2.26	0.02	Kenya	2.33	2.39	(0.06)
Rwanda	3.36	4.14	(0.78)	Rwanda	3.42	3.03	0.39	Rwanda	3.30	3.85	(0.55)	Rwanda	2.92	3.24	(0.32)
Tanzania	1.00	0.98	0.02	Tanzania	0.91	0.54	0.37	Tanzania	0.86	0.75	0.11	Tanzania	0.98		
Uganda	1.04	0.97	0.07	Uganda	0.66	0.70	(0.05)	Uganda	0.64	0.70	(0.06)	Uganda	0.67	0.80	(0.13)
Average	1.90	2.07	(0.17)	Average	1.88	1.75	0.12	Average	1.82	1.89	(0.07)	Average	1.89	2.14	(0.26)

M2: The Flavory Rwanda and KTDA East of Rift valley BP1's met highly selective and reduced demand at irregularly easier rates with a few selected lots tending dearer and 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 while there was a strong demand for some selected Kenya Estate BP1's which sold at irregularly steady to dearer levels following quality with support from Pakistan, UK, CIS and Local packers. Plainer BP1's saw improved enquiry where most sold at dearer rates than last week.

KTDA East of Rift valley PF1's sold easier by 5-10 usc than last week due to the absence of Afghan and Bazaar packers and reduced demand from Pakistan packers while the low supply of Rwanda PF1s coupled with a very strong demand saw some Rwanda marks selling dearer by up to 50 usc following quality while some marks sold easier by 5-20 usc versus last week. 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 fair demand and buying activity in the M1 auction this week where most teas on offer were absorbed but at easier levels than last week across all the types of teas. Rwanda and KTDA East of Rift valley PDs and D1s traded at easier rates by 5-50 usc following quality and reduced enquiry 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 easier levels by 10-20 usc with 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 43 of 2023 are as per below: -

Status	Sold				
Sale No	43				
Sold Packages	Grade				
Buyer	BP1	DUST1	PD	PF1	Grand Total
Chai Trading Company Ltd	2,560	680	3,480	13,640	20,360
Global Teas and Commodities Ltd	1,800	1,280	3,240	9,319	15,639
Cargill Kenya Limited	840	240	2,760	11,120	14,960
LAB International	40	2,920	7,240	2,660	12,860
James Finlay Mombasa Ltd	1,821	280	5,560	1,320	8,981
Mombasa Coffee Ltd	160	2,280	5,360	480	8,280
Devchand Keshavji (K) Ltd				5,640	5,640
SSOE Kenya Ltd	960	960	1,080	2,400	5,400
Abbas Tea Traders Ltd	120	520	1,840	1,480	3,960
Mizaj Africa Ltd		80	2,800	720	3,600

The movement/Variance of the Top Ten Buyers in Sale 43 vs Sale 42 2023: -

Status	Sold		
Grade			
Sold Packages	Sale No		
Buyer	43	42	Variance
Chai Trading Company Ltd	20,360	19,800	560
Global Teas and Commodities Ltd	15,639	14,320	1,319
Cargill Kenya Limited	14,960	10,080	4,880
LAB International	12,860	12,280	580
James Finlay Mombasa Ltd	8,981	8,880	101
Mombasa Coffee Ltd	8,280	7,880	400
Devchand Keshavji (K) Ltd	5,640	7,400	(1,760)
SSOE Kenya Ltd	5,400	2,480	2,920
Abbas Tea Traders Ltd	3,960	2,640	1,320
Mizaj Africa Ltd	3,600	5,800	(2,200)

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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%
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 44 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.	45	44	Variance, Kgs	Variance, %
Fresh teas, Pkgs	146,129	141,760	4,369	3.08%
Reprinted teas, Pkgs	95,460	60,740	34,720	57.16%
Total	<u>241,589</u>	<u>202,500</u>	<u>39,089</u>	<u>19.30%</u>
Fresh teas, Kgs	9,943,517	9,624,185	319,332	3.32%
Reprinted teas, Kgs	6,468,947	4,079,665	2,389,282	58.57%
Total	<u>16,412,464</u>	<u>13,703,850</u>	<u>2,708,614</u>	<u>19.77%</u>

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