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

16th November 2023

Market Summary for Sale 46 of 2023

There were 226,420 packages on offer in the M1 & M2 categories this week versus Sale 45 where 226,750 pkgs had been offered which was a slight decrease. There was easier demand and absorption with buyers bidding at generally dearer but irregular rates than last week. This week absorption stood at 54% with 8,394,867 Kgs sold while the average hammer price was up by 8 usc at USD 1.89 per kg.

The percentage sold was 54% in Sale 46 with 8.4 M Kgs sold versus 56% in Sale 45 where 8.7 M Kgs were sold which was a decrease by 3.7%.
In Sale 46 outlots increased by 4.1% to 7.2 M Kgs versus 6.9 M Kgs in Sale 45. 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 and PF1 teas.

Sale 46 vs Sale 45 Auction offerings across all the Countries: -

Offerings				
	Sale No			
Country	46	45	Variance, Kgs	Variance, %
Burundi	65,644	21,249	44,395	209%
Kenya	13,648,270	14,102,341	-454,071	-3%
Rwanda	433,352	329,880	103,472	31%
Tanzania	252,116	158,612	93,504	59%
Uganda	1,167,390	995,771	171,619	17%
Total, Kgs	15,566,772	15,607,853	-41,081	-0.26%

Sale 46 Absorption across all the Countries: -

Sale No	46				
Country	Sold	Outlots	Total	% Sold	% Outlots
Burundi	45,724	19,920	65,644	70%	30%
Kenya	6,979,070	6,669,200	13,648,270	51%	49%
Rwanda	324,488	108,864	433,352	75%	25%
Tanzania	192,356	59,760	252,116	76%	24%
Uganda	853,229	314,161	1,167,390	73%	27%
Total, Kgs	8,394,867	7,171,905	15,566,772	54%	46%

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Sold teas Per Grade in Sale 46 vs Sale 45 per grade: -

Status	Sold			
Kgs	Sale No			
Grade	46	45	Variance, Kgs	Variance, %
BP1	1,002,164	1,014,090	(11,926)	-1.18%
DUST1	904,681	988,219	(83,538)	-8.45%
PD	2,740,982	2,701,424	39,558	1.46%
PF1	3,747,040	4,014,027	(266,987)	-6.65%
Total, Kgs	8,394,867	8,717,760	(322,893)	-3.70%

Out lots Per Grade in Sale 46 vs Sale 45 per grade: -

Status	Outlots			
Sum of Net Weight	Sale No			
Grade	46	45	Variance, Kgs	Variance %
BP1	1,382,923	1,452,898	(69,975)	-5%
DUST1	562,621	483,870	78,751	16%
PD	2,178,619	1,974,959	203,660	10%
PF1	3,047,742	2,978,366	69,376	2.33%
Total, Kgs	7,171,905	6,890,093	281,812	4.09%

Price

Auction Average Price Movement Sale 46 vs Sale 45

Sale Price($)			
Grade	(All)		
	Sale No		
Country	46	45	Variance
Burundi	2.12	1.82	0.30
Kenya	2.31	2.33	(0.02)
Rwanda	3.26	3.14	0.12
Tanzania	0.95	0.99	(0.04)
Uganda	0.80	0.79	0.01
Average	1.89	1.81	0.07

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Auction Average Price Movement Per grade across all the Countries in Sale 46 vs Sale 45

Grade	BP1		
Sale Price($)			
	Sale No		
Country	46	45	Variance
Burundi	1.91	1.70	0.21
Kenya	2.22	2.17	0.05
Rwanda	3.15	2.98	0.17
Tanzania	1.08		
Uganda	1.14	1.15	(0.01)
Average	1.90	2.00	(0.10)

Grade	PF1		
Sale Price($)			
	Sale No		
Country	46	45	Variance
Burundi	2.13		
Kenya	2.42	2.40	0.02
Rwanda	3.25	3.09	0.16
Tanzania	0.89	1.05	(0.17)
Uganda	0.73	0.72	0.01
Average	1.88	1.82	0.07

Grade	PD		
Sale Price($)			
	Sale No		
Country	46	45	Variance
Burundi	1.94	1.94	-
Kenya	2.18	2.28	(0.09)
Rwanda	3.44	3.49	(0.05)
Tanzania	0.97	0.70	0.27
Uganda	0.74	0.74	
Average	1.85	1.83	0.03

Grade	DUST1		
Sale Price($)			
	Sale No		
Country	46	45	Variance
Burundi	2.66		
Kenya	2.31	2.35	(0.03)
Rwanda	3.16	3.16	
Tanzania	0.98	0.84	0.14
Uganda	0.80	0.71	0.09
Average	1.98	1.76	0.22

M2: Very strong demand for the Flavory KTDA East of Rift valley BP1`s with most of the teas selling at firm to dearer levels by up to 1 usd following quality while there was reduced demand for the Flavory Rwanda High taste BP1s with most of them selling easier by 5-30 usc following quality and with some lines not selling due to low or no bids. The strong demand was driven by Iran, India, UK, Kazakhstan and some CIS countries. KTDA West of Rift valley BP1`s sold at the minimum reserve prices supported by UAE, Pakistan packers, India and Iran buyers. Medium BP1`s sold at firm rates with demand from CIS, UAE and Pakistan packers. While plainer types met good demand at irregularly firm to dearer rates with support from the local packers and South Sudan Buyers.
High taste flavory Rwanda PF1`s met a very strong demand with most lines selling higher by 30 usc versus last week but following quality and supply in the auction while some Rwanda PF1`s sold at easier rates by up to 30 usc following quality and with some lines remaining unsold due to low or no bids at all. KTDA East of Rift valley PF1`s continue to meet a strong demand driven by Pakistan packers and Bazaar, Afghanistan, UK, Yemen and Japan Buyers with most of the marks selling at firm to slightly dearer rates following quality. KTDA West of Rift valley PF1`s met steady demand from the usual Pakistan packers, Bazaar and UK Buyers following quality with mostly the fresh teas selling while the discounted reprinted teas for more than six times meeting low demand and absorption despite the asking price being the low minimum reserve price of 2.17 Usd/Kg. Kenya Estate teas traded irregularly firm to dearer following quality with the support coming from Pakistan, UK, Egypt and CIS Buyers. Plainer PF1`s sold at firm to dearer rates this week following quality with some teas remaining unsold.

M1: The M1 auction met irregular demand for the PD`s and Dust1`s teas on offer this week, the buying patterns this week following a very strong leaf market supported by Pakistan and Yemen Buyers pushing up the prices by up to 30 usc while Egyptian Buyers had an easier demand and were bidding easier by 10-25 usc versus last week`s auction with the absence of James Finlay Mombasa and Mizaj Africa Ltd impacting negatively the price realization.
Rwanda and KTDA East of Rif PD`s and Dust 1 teas sold dearer by up to 40 usc following quality with support from Yemen, Egypt, UK and Pakistan packers. West of Rift valleys PD`s and Dust 1 teas where sold at the set minimum reserve prices but with most of the teas remaining unsold.
Kenya Estate PD`s and Dust 1 teas met a low demand and sold at easier levels by up to 30 usc last week with a reduced demand to the key market of Egypt and UK and with Yemen buyers being selective following quality on the blacker teas.

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The top ten Buyers in Sale 46 of 2023 are as per below: -

Status	Sold				
Sale No	46				
Sold Packages	Grade				
Buyer	BP1	DUST1	PD	PF1	Grand Total
CHAI TRADING COMPANY LIMITED	3,280	1,920	3,720	17,840	26,760
LAB INTERNATIONAL (K) LTD	800	2,760	9,960	4,800	18,320
CARGILL KENYA LTD	2,200	40	3,240	6,760	12,240
GLOBAL TEA & COMMODITIES (K) LTD	2,200	1,280	1,600	6,420	11,500
MOMBASA COFFEE LTD	160	2,160	4,240	720	7,280
SSOE (KENYA) LTD	1,360	480	1,320	4,120	7,280
MJ CLARKE LTD		520	3,840	160	4,520
ABBAS TRADERS LTD	520	560	1,920	1,200	4,200
JAMES FINLAY MOMBASA LTD	680	400	2,000	800	3,880
INDO-AFRICA TEA COMPANY (K) LTD	720		1,800	720	3,240

The movement/Variance of the Top Ten Buyers in Sale 46 vs Sale 45 2023: -

Status	Sold		
Grade			
Sold Packages	Sale No		
Buyer	46	45	Variance
CHAI TRADING COMPANY LIMITED	26,760	22,200	4,560
LAB INTERNATIONAL (K) LTD	18,320	11,000	7,320
CARGILL KENYA LTD	12,240	7,040	5,200
GLOBAL TEA & COMMODITIES (K) LTD	11,500	18,800	(7,300)
MOMBASA COFFEE LTD	7,280	7,680	(400)
SSOE (KENYA) LTD	7,280	9,840	(2,560)
MJ CLARKE LTD	4,520	5,840	(1,320)
ABBAS TRADERS LTD	4,200	4,000	200
JAMES FINLAY MOMBASA LTD	3,880	6,960	(3,080)
INDO-AFRICA TEA COMPANY (K) LTD	3,240	440	2,800

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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 47 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 significantly reduced their buying for this week 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, demand and increased volumes from Kenya Producers.

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Auction Closing Figures for Sale 48 vs Sale 47 2023: -

Sale No.	48	47	Variance, Kgs	Variance, %
Fresh teas, Pkgs	158,399	153,379	5,020	3.27%
Reprinted teas, Pkgs	103,880	109,440	-5,560	-5.08%
Total	262,279	262,819	-540	-0.21%
Fresh teas, Kgs	10,724,107	10,367,951	356,156	3.44%
Reprinted teas, Kgs	7,040,812	7,393,663	-352,851	-4.77%
Total	17,764,919	17,761,614	3,305	0.02%

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