ATLAS
TEA BROKERS LTD

Sec,1 M.Nyali,(off Links Shell Petro Station)
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27th September 2023

Market Summary for Sale 39 of 2023

There were 159,220 packages on offer in the M1 & M2 categories this week which was an increase by 1.85% versus Sale 38 where 156,820 pkgs had been offered. There was fair demand and absorption with buyers bidding at generally irregular firm to easier rates than last week. This week absorption 66% with 7,301,778 Kgs sold while the average hammer price is up by 4 usc at USD 2.01 per kg.

The percentage sold was 66% in Sale 39 with 7.3 M Kgs sold versus 67% in Sale 38 where 7.2 M Kgs were sold.
In Sale 39 outlots stood at 3.7 M Kgs versus 3.6M Kgs in Sale 38, while KTDA outlots increased by 11.43% in Sale 39 to 2.1 M Kgs from 1.8 M Kgs in Sale 38. A huge percentage of the unsold teas were teas of 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. KTDA outlots in Sale 39 stood at 56% (2,086,183 Kgs) while total outlots stood at 3,722,819 Kgs.

Sale 39 vs Sale 38 Auction offerings across all the Countries: -

Offerings				
	Sale No			
Country	39	38	Variance	% Variance
Burundi	46,210	88,513	-42,303	-48%
Kenya	9,678,293	9,348,886	329,406	4%
Rwanda	226,446	250,376	-23,930	-10%
Tanzania	63,548	60,152	3,396	6%
Uganda	1,010,100	1,076,039	-65,939	-6%
Total	11,024,597	10,823,966	200,630	1.85%

Sale 39 Absorption across all the Countries: -

Sale No	39				
Country	Sold	Outlots	Total	% Sold	% Outlots
Burundi	32,070	14,140	46,210	69%	31%
Kenya	6,306,846	3,371,447	9,678,293	65%	35%
Rwanda	137,496	88,950	226,446	61%	39%
Tanzania	56,768	6,780	63,548	89%	11%
Uganda	768,598	241,502	1,010,100	76%	24%
Total, Kgs	7,301,778	3,722,819	11,024,597	66%	34%

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Sold teas in Sale 39 vs Sale 38 per grade: -

Status	Sold			
Kgs	Sale No			
Grade	39	38	Variance	% Variance
BP1	662,147	822,872	-160,725	-20%
DUST1	733,783	677,623	56,160	8%
PD	2,693,539	2,527,496	166,043	7%
PF1	3,212,309	3,173,624	38,685	1%
Total	7,301,778	7,201,614	100,163	1%

Out lots in Sale 39 vs Sale 38 per grade: -

Status	Outlots			
Kgs	Sale No			
Grade	39	38	Variance	% Variance
BP1	467,301	494,889	-27,588	-6%
DUST1	186,560	212,699	-26,139	-12%
PD	1,143,833	1,308,317	-164,484	-13%
PF1	1,925,125	1,606,447	318,678	20%
Total	3,722,819	3,622,352	100,467	2.77%

Price

Auction Average Price Movement Sale 39 vs Sale 38

Sale Price($)			
Grade	(All)		
	Sale No		
Country	39	38	Variance
Burundi	2.08	1.85	0.23
Kenya	2.43	2.40	0.03
Rwanda	3.79	3.69	0.10
Tanzania	0.91	1.02	- 0.11
Uganda	0.85	0.90	- 0.05
Average	2.01	1.97	0.04

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Auction Average Price Movement Per grade across all the Countries in Sale 39 vs Sale 38

Sale Price($)		
Grade	BP1		
	Sale No		
Country	39	38	Variance
Burundi	2.00		
Kenya	2.21	2.09	0.13
Rwanda	4.68	4.34	0.34
Tanzania	1.04	0.92	0.12
Uganda	0.91	1.01	(0.10)
Average	2.17	2.09	0.08

Sale Price($)			
Grade	PF1		
	Sale No		
Country	39	38	Variance
Burundi	2.04	1.85	0.19
Kenya	2.53	2.58	(0.04)
Rwanda	3.40	3.52	(0.12)
Tanzania	0.87	1.01	(0.13)
Uganda	0.88	0.87	0.01
Average	1.95	1.96	(0.02)

Sale Price($)			
Grade	PD		
	Sale No		
Country	39	38	Variance
Burundi	2.01	1.82	0.19
Kenya	2.38	2.27	0.11
Rwanda	3.77	3.59	0.18
Tanzania	0.94	1.09	(0.15)
Uganda	0.80	0.83	(0.03)
Average	1.98	1.92	0.06

Sale Price($)			
Grade	DUST1		
	Sale No		
Country	39	38	Variance
Burundi	2.23	1.97	0.26
Kenya	2.34	2.45	(0.11)
Rwanda	3.34	3.07	0.27
Tanzania	0.99	1.08	(0.10)
Uganda	0.85	0.91	(0.06)
Average	1.95	1.90	0.05

M2: There BP1s managed to hold this week. Demand for flavory Rwanda, Kenya Estates and KTDA EoR BP1s was highly selective active following quality with a significant reduction in demand from Kazak, CIS, Egypt & India buyers with most of these BP1s selling at irregularly easier rates and with some attracting no bids and remained as outlots. Below best BP1s traded firm, while KTDA WoR BP1s traded firm but at reserve prices. Mediums traded irregularly firm, where sold while plainer types also traded firm.
Flavory Rwanda and KTDA EoR PF1s traded irregularly easier by 5-15 usc. KTDA WoR PF1s traded firm at the reserve prices where sold while Kenyan Estates and Tanzania PF1s sold easier 5-20 usc, demand was highly selective following quality and with most of the teas attracting very low bids and most going out as outlots.
Demand for PF1s teas remains very low for the second week due to the current currency challenges in Pakistan in addition to the border closure with Afghanistan which is negatively is of influence for demand and price realization as buyers are stuck with unshipped teas in Mombasa.

M1: The Dust auction met good demand especially better quality leaf types. Best PDs traded irregularly firm to dearer by 5-15 usc, below best irregularly firm while good mediums traded irregularly steady at reserve prices. Medium PDs, quality types remained firm while the remainder traded irregular and up to 5-10 usc easier than last week. Plainer PDs traded irregularly steady to easier by 5-10 usc with Uganda and Tanzania teas most negatively impacted with most of the teas selling below 1 usd per Kg.

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The top ten Buyers in Sale 39 of 2023 are as per below: -

Sale No	39				
Status	Sold				
Sold Packages	Grade				
Buyer	BP1	DUST1	PD	PF1	Grand Total
Global Tea & Commodities Limited	2,160	1,240	4,840	9,240	17,480
Chai Trading and Company Limited	2,640	960	2,680	10,960	17,240
LAB International		1,240	6,840	3,840	11,920
Cargill (K) Ltd	2,080		240	5,800	8,120
Mombasa Coffee Limited		2,320	4,200	720	7,240
James Finley Mombasa			5,300	960	6,260
MJ Clarke Limited		920	4,300	920	6,140
Abbas Traders Limited	520	240	1,840	1,040	3,640
Mizaj Africa Limited	40	160	3,200	160	3,560
Devchand Keshavji (K) ltd				3,440	3,440

The movement/Variance of the Top Ten Buyers in Sale 39 vs Sale 38 2023: -

Status	Sold		
Grade	(All)		
Sold Packages	Sale No		
Buyer	39	38	Variance
Global Tea & Commodities Limited	17,480	16,800	680
Chai Trading and Company Limited	17,240	12,360	4,880
LAB International	11,920	10,040	1,880
Cargill (K) Ltd	8,120	7,560	560
Mombasa Coffee Limited	7,240	6,920	320
James Finley Mombasa	6,260	9,000	-2,740
MJ Clarke Limited	6,140	2,880	3,260
Abbas Traders Limited	3,640	3,400	240
Mizaj Africa Limited	3,560	4,200	-640
Devchand Keshavji (K) ltd	3,440	3,600	-160

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Weather and Crop

Weather conditions in the tea growing areas remain normal for the time of the year. Rainfall was recorded in most parts on both sides of the Rift valley and in the tea growing areas giving conducive conditions for tea bush growth. Crop harvest has slightly 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 40 of 2023

Currently the demand for teas across all the categories and from all the buyers remains subdued resulting in reduced absorption and increased outlots especially on PF1 teas. Demand is expected to continue being erratic, selective and following quality to all the tea destinations.

The current currency challenges in Pakistan coupled with the border closure with Afghanistan will impact the demand, absorption and price realization for the PF1 teas but with Egyptian buyers slightly improving their buying for this week but are bidding at 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, demand and increased volumes from Kenya Producers.

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Sale No.	40	41
Fresh teas, PKgs	139,700	144,710
Reprinted teas, PKgs	46,820	49,920
Total	186,520	194,630
Fresh teas, Kgs	9,442,816	9,734,933
Reprinted teas,Kgs	3,173,577	3,367,776
Total	12,616,393	13,102,709

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