ATLAS TEA BROKERS LTD
Sec,1 M.Nyali,(off Links Shell Petro Station)
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13th September 2023

Market Summary for Sale 37 of 2023

There were 159,000 packages on offer in the M1 & M2 categories this week which was decline by 17% versus Sale 36 where 190,480 pkgs had been offered. There was a slight decrease in demand and absorption with buyers bidding at generally irregular firm to easier rates than last week. This week absorption 65% with 7,190,211 Kgs sold while the average hammer price was down by 4 usc at USD 2.01 per kg.

The percentage sold was 65% in Sale 37 with 7.2 M Kgs sold versus 55% in Sale 36 where 7.4 M Kgs were sold.
In Sale 37 outlots decreased by 34% to 3.8 M Kgs from 5.7 M Kgs in Sale 36, while KTDA outlots decreased by 51.6% in Sale 37 to 2.1 M Kgs from 4.3 M Kgs in Sale 36. 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 teas). KTDA outlots in Sale 37 stood at 55% (2,098,659 Kgs) while total outlots stood at 3,794,916 Kgs.

Sale 37 vs Sale 36 Auction offerings across all the Countries: -

Offerings				
	Sale No			
Country	37	36	Variance	% Variance
Burundi	39,854	55,534	-15,680	-28%
Kenya	9,365,570	11,817,903	-2,452,333	-21%
Rwanda	323,154	303,066	20,088	7%
Tanzania	87,978	92,856	-4,878	-5%
Uganda	1,168,571	886,449	282,122	32%
Total	10,985,127	13,155,808	(2,170,681)	-17%

Sale 37 Absorption across all the Countries: -

Sale No	37				
Country	Sold	Outlots	Total	% Sold	% Outlots
Burundi	37,378	2,476	39,854	94%	6%
Kenya	6,027,730	3,337,840	9,365,570	64%	36%
Rwanda	262,506	60,648	323,154	81%	19%
Tanzania	72,210	15,768	87,978	82%	18%
Uganda	790,387	378,184	1,168,571	68%	32%
Total, Kgs	7,190,211	3,794,916	10,985,127	65%	35%

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Sold teas in Sale 37 vs Sale 36 per grade: -

Status	Sold			
Kgs	Sale No			
Grade	37	36	Variance	% Variance
BP1	691,016	633,149	57,867	9%
DUST1	593,194	720,422	-127,228	-18%
PD	2,465,032	2,635,679	-170,648	-6%
PF1	3,440,970	3,454,021	-13,051	-0.38%
Total	7,190,211	7,443,271	-253,060	-3%

Out lots in Sale 37 vs Sale 36 per grade: -

Status	Outlots			
Kgs	Sale No			
Grade	37	36	Variance	% Variance
BP1	560,805	1,317,706	-756,901	-57%
DUST1	256,330	492,677	-236,347	-48%
PD	1,442,996	1,616,031	-173,034	-11%
PF1	1,534,785	2,286,124	-751,339	-33%
Total	3,794,916	5,712,537	-1,917,622	-34%

Price

Auction Average Price Movement Sale 37 vs Sale 36

Sale Price($)			
Grade	(All)		
	Sale No		
Country	37	36	Variance
Burundi	2.07	2.09	- 0.02
Kenya	2.46	2.42	0.04
Rwanda	3.68	3.64	0.04
Tanzania	0.89	1.08	- 0.19
Uganda	0.94	1.00	- 0.06
Average	2.01	2.05	- 0.04

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Auction Average Price Movement Per grade across all the Countries in Sale 37 vs Sale 36

Sale Price($)			
Grade	BP1		
	Sale No		
Country	37	36	Variance
Burundi	2.00	1.65	0.35
Kenya	2.35	2.37	(0.03)
Rwanda	5.29	5.16	0.13
Tanzania	1.06	1.15	(0.09)
Uganda	1.02	1.07	(0.05)
Average	2.34	2.28	0.06

Sale Price($)			
Grade	PF1		
	Sale No		
Country	37	36	Variance
Burundi	2.08	2.12	(0.04)
Kenya	2.62	2.63	(0.01)
Rwanda	3.38	3.33	0.05
Tanzania	0.85	1.04	(0.19)
Uganda	0.91	0.98	(0.07)
Average	1.97	2.02	(0.05)

Sale Price($)			
Grade	PD		
	Sale No		
Country	37	36	Variance
Burundi	2.01	2.07	(0.06)
Kenya	2.28	2.16	0.13
Rwanda	3.43	3.33	0.10
Tanzania	1.00	1.06	(0.06)
Uganda	0.93	0.97	(0.04)
Average	1.93	1.92	0.01

Sale Price($)			
Grade	DUST1		
	Sale No		
Country	37	36	Variance
Burundi	2.21	2.28	(0.07)
Kenya	2.32	2.34	(0.02)
Rwanda	3.26	3.01	0.25
Tanzania	1.24	1.13	0.11
Uganda	0.95	1.05	(0.10)
Average	1.99	1.96	0.03

M2: Demand and competition for the Flavoury Rwanda and KTDA East of Rift valley BP1's reduced this week with most of the teas going out as outlots but later sold at easier to firm rates versus last week. The absence of key Sudanese buyers saw a huge number of Premium BP1s from Rwanda, KTDA and Kenyan Estates being taken out as outlots as brokers were not willing to meet the market and some teas attracting no bids. With Rwanda still in the dry season, we expect these types to be absorbed at premium levels due to very low supply. Balance medium BP1's were irregularly firm to dearer; following quality. Plainer BP1's were irregularly firm to dearer, following quality. They received steady enquiry from South Sudan, Pakistan, CIS and local packers.

Rwanda PF1's opened firm to dearer following quality with most of the marks gaining between 5-10 usc following quality with some marks selling easier by 5-10 usc. They were well supported Pakistan packers, Afghan, Bazar, Egypt, CIS and UK. Best KTDA PF1's opened on a firm note and wobbled during the auction with some marks shedding a few cents and the selected quality types gaining slightly. Afghan was steady, supported by Pakistan packers and UK while Bazar was selective. CKL also operated on the lower EoR types absorbing older reprints at minimum price levels. There was improved demand and absorption on the WoR PF1's at firm levels. The balance Mediums were irregularly steady to slightly easier, following quality with most Kenyan Estate PF1s and Uganda PF1s taken out as outlots due to low bids and no bids. They met steady demand from Pakistan packers, UK, Bazar and Afghan while local packers were slower. Plainer types sold at irregularly steady levels following quality.

M1: There was a slight improvement in demand and absorption in the Dust auction this week with prices ranging from firm to easier for KTDA types, Kenya Estates, Rwanda, Burundi and Uganda teas while mediums and Plainer types were generally steady to easier. East of Rift valley PD&D1s were irregularly firm to slightly dearer where they received improved inquiry from Yemen, Egyptian, UK and Pakistan packers and Bazar lending some support. West of Rift valley PD&D1s were firm to dearer. Medium types met improved activity from Egyptian buyers trading at firm to easier rates. Neater types received some support from Yemen buyers while Pakistan, Afghan and UK buyers. Plainer types were irregular following quality with better types trading at firm to dearer rates while lower types were steady to easier.

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The top ten Buyers in Sale 37 of 2023 are as per below: -

Sale No	37				
Status	Sold				
Sold Packages	Grade				
Buyer	BP1	DUST1	PD	PF1	Grand Total
Global Tea & Commodities Limited	2,720	840	5,400	8,560	17,520
Chai Trading and Company Limited	1,440	200	880	9,720	12,240
James Finley Mombasa		80	8,720	1,200	10,000
Cargill (K) Ltd	1,120		640	6,080	7,840
LAB International	40	920	3,880	2,520	7,360
Mombasa Coffee Limited		1,880	4,160	960	7,000
SSOE Kenya Limited	960	840	720	2,760	5,280
Devchand Keshavji (K) ltd				5,120	5,120
Mizaj Africa Limited	240	240	3,640	80	4,200
Alibhai Ramji (Msa) Ltd		360	320	2,200	2,880

The movement/Variance of the Top Ten Buyers in Sale 37 vs Sale 36 2023: -

Status	Sold		
Grade	(All)		
Sold Packages	Sale No		
Buyer	37	36	Variance
Global Tea & Commodities Limited	17,520	14,160	3,360
Chai Trading and Company Limited	12,240	11,440	800
James Finley Mombasa	10,000	11,260	-1,260
Cargill (K) Ltd	7,840	8,960	-1,120
LAB International	7,360	7,760	-400
Mombasa Coffee Limited	7,000	7,520	-520
SSOE Kenya Limited	5,280	10,640	-5,360
Devchand Keshavji (K) ltd	5,120	5,840	-720
Mizaj Africa Limited	4,200	4,040	160
Alibhai Ramji (Msa) Ltd	2,880	3,120	-240

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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 June 2023 Crop figures were released and production increased significantly by 4.68 M Kgs to 48.12 M kgs vs 43.45 M kgs same month in 2022. Production for the Month of June 2023 was lower by 9.76 M Kgs compared with 57.88 M Kgs for the Month of May 2023. Production for the first six months of 2023 was higher by 2.34 M kgs to stand at 273.64 M kgs against 271.30 M kgs recorded during the same period in 2022.

Sub-Sector	Region	Jun-23	Jun-22	Var, Kgs	Var, %	Jan-June 2023	Jan-June 2022	Var, Kgs	Var, %
Plantations	West of Rift	23,304,381	22,263,727	1,040,654	4.67%	124,799,522	112,606,047	12,193,475	10.83%
	East of Rift	1,717,715	1,389,681	328,034	23.60%	9,483,413	9,254,065	229,348	2.48%
Total		25,022,096	23,653,408	1,368,687	5.79%	134,282,934	121,860,111	12,422,823	10.19%
Smallholder	West of Rift	10,826,976	9,794,617	1,032,359	10.54%	58,416,723	65,449,155	-7,032,432	-10.74%
	East of Rift	12,278,816	10,004,650	2,274,166	22.73%	80,943,781	83,995,350	-3,051,569	-3.63%
Total		23,105,792	19,799,267	3,306,525	16.70%	139,360,505	149,444,505	-10,084,000	-6.75%
Smallholder & Plantations	West of Rift	34,131,357	32,058,344	2,073,013	6.47%	183,216,245	178,055,202	5,161,044	2.90%
	East of Rift	13,996,531	11,394,331	2,602,199	22.84%	90,427,194	93,249,415	-2,822,221	-3.03%
Totals		48,127,888	43,452,675	4,675,212	10.76%	273,643,439	271,304,617	2,338,823	0.86%

Upcoming Auction: Sale 38 of 2023

Currently the demand for teas across all the categories and from all the buyers has gone down resulting to reduced absorption and increased outlots especially BP1s and PF1 teas. Demand is expected to continue being erratic, selective and following quality to all the tea destinations and with the Egyptian buyers slightly improving their buying for this week but 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 and elastic demand.

Sale No.	38	39
Fresh teas, PKgs	145,740	139,034
Reprinted teas, PKgs	27,660	38,000
Total	173,400	177,034
Fresh teas, Kgs	9,878,288	9,424,047
Reprinted teas,Kgs	1,847,425	2,561,902
Total	11,725,713	11,985,949

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