



ATLAS
TEA BROKERS LTD

Sec, 1 M.Nyali, (off Links Shell Petro Station)

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20th December 2023

Market Summary for Sale 51 of 2023

There were 16,126,174 Kgs on offer in all the categories in Sale 51 vs Sale 50 where 16,415,528 Kgs had been offered which was a decrease by 1.8%. There was fair demand and absorption with buyers bidding at generally easier rates than last week. This week absorption stood at 66% with 10,683,907 Kgs sold while the average hammer price was firm at USD 1.90 per kg.

The percentage sold was 66% in Sale 51 with 10.7 M Kgs sold versus 67% in Sale 50 where 11 M Kgs were sold which was a decrease by 1%.

In Sale 51 outlots increased by 1% to 5.4 M Kgs versus 5.3 M Kgs in Sale 50, while KTDA outlots decreased slightly by 3.16% in Sale 51 to 3.7 M Kgs from 3.8 M Kgs in Sale 50.

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 51 vs Sale 50 Auction offerings across all the Countries: -

Offerings				
	Sale No			
Country	51	50	Variance, Kgs	Variance, %
Burundi	76,543	96,059	-19,516	-20%
Kenya	13,675,250	13,536,789	138,461	1%
Rwanda	761,040	806,456	-45,416	-6%
Tanzania	100,832	152,348	-51,516	-34%
Uganda	1,512,509	1,823,876	-311,367	-17%
Total, Kgs	16,126,174	16,415,528	-289,354	-1.76%

Sale 51 Absorption across all the Countries: -

Sale No	51				
Country	Sold	Outlots	Total	% Sold	% Outlots
Burundi	66,791	9,752	76,543	87%	13%
Kenya	8,711,642	4,963,608	13,675,250	64%	36%
Rwanda	635,584	125,456	761,040	84%	16%
Tanzania	82,048	18,784	100,832	81%	19%
Uganda	1,187,842	324,667	1,512,509	79%	21%
Total, Kgs	10,683,907	5,442,267	16,126,174	66%	34%

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Sale 51 vs Sale 50 Auction Absorption across all the Countries: -

Absorption				
	Sale No			
Country	51	50	Variance, Kgs	Variance, %
Burundi	66,791	79,379	-12,588	-16%
Kenya	8,711,642	8,577,589	134,053	2%
Rwanda	635,584	679,136	-43,552	-6%
Tanzania	82,048	108,160	-26,112	-24%
Uganda	1,187,842	1,582,579	-394,737	-25%
Total, Kgs	10,683,907	11,026,843	-342,936	-3.11%

Main Grade Teas Sold in Sale 51 vs Sale 50 per grade: -

Status	Sold			
Kgs	Sale No			
Grade	51	50	Variance, Kgs	Variance, %
BP1	885,881	838,328	47,553	5.67%
DUST1	987,166	1,085,562	(98,396)	-9.06%
PD	3,267,451	3,358,485	(91,034)	-2.71%
PF1	4,298,276	4,557,309	(259,033)	-5.68%
Total, Kgs	9,438,774	9,839,684	(400,910)	-4.07%

Main Grade Out Lots Teas in Sale 51 vs Sale 50 per grade: -

Status	Outlots			
Weight (Kgs)	Sale No			
Grade	51	50	Variance, Kgs	Variance %
BP1	1,001,135	1,200,776	(199,641)	-17%
DUST1	189,972	247,220	(57,248)	-23%
PD	1,700,440	1,682,176	18,264	1%
PF1	2,397,862	2,023,420	374,442	18.51%
Total, Kgs	5,289,409	5,153,592	135,817	2.64%

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Price

Auction Average Price Movement Sale 51 vs Sale 50

Sale Price(\$)			
Grade	(All)		
	Sale No		
Country	51	50	Variance
Burundi	2.17	2.11	0.06
Kenya	2.32	2.36	(0.05)
Rwanda	3.30	3.31	(0.01)
Tanzania	0.87	0.94	(0.07)
Uganda	0.77	0.74	0.03
Average	1.89	1.90	(0.01)

Auction Average Price Movement Per grade across all the Countries in Sale 51 vs Sale 50

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	51	50	Variance		Country	51	50	Variance		Country	51	50	Variance		Country	51	50	Variance	
Burundi	2.19	2.00	0.19		Burundi	2.17	2.12	0.05		Burundi	2.08	2.10	(0.02)		Burundi	2.44	2.37	0.07	
Kenya	2.04	2.26	(0.22)		Kenya	2.41	2.48	(0.07)		Kenya	2.24	2.17	0.02		Kenya	2.35	2.50	(0.15)	
Rwanda	3.41	3.66	(0.25)		Rwanda	3.14	3.13	0.01		Rwanda	3.49	3.46	0.03		Rwanda	3.28	3.31	(0.03)	
Tanzania	0.92	0.94	(0.02)		Tanzania	0.80	0.88	(0.08)		Tanzania	0.95	0.97	(0.02)		Tanzania	0.92	1.10	(0.18)	
Uganda	0.92	1.01	(0.09)		Uganda	0.63	0.66	(0.04)		Uganda	0.80	0.73	0.07		Uganda	0.81	0.75	0.06	
Average	1.90	1.97	(0.08)		Average	1.83	1.86	(0.02)		Average	1.91	1.89	0.03		Average	1.96	2.00	(0.05)	

M2: BP1s sold easier this week versus last week. Flavoury Rwanda and KTDA East of Rift valley BP1s traded irregularly at easier rates than last week with some marks shedding up to 120 usc following quality and with most lots remaining unsold due to low bids and no bids with significant reduced activity by Kazak and CIS Buyers. Below best BP1s traded firm, while KTDA West of Rift valley BP1s traded firm but at reserve prices. Kenya Estate High taste and Medium BP1s traded irregularly firm to easier rates where sold with support from Pakistan, CIS and Iran buyers while the plainer BP1s sold at easier rates with interest from South Sudan and the local packers.

Flavoury Rwanda PF1 teas sold at firm to dearer rates by up to 40 usc with very strong demand from Egyptian, Pakistan packers, Bazaar, Afghanistan and UK Buyers and with improved absorption versus last week.

KTDA East of Rift valley PF1s opened at firm to dearer rates versus last week but the prices wobbled during the auction with most marks selling at significantly lower levels in the subsequent catalogues with some of the key buyers reducing their buying and others dropping off impacting negatively on price realization and reduced absorption particularly from Chai Trading Company Limited who reduced their PF1 purchases by up

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to 6,000 packages. The support came from Pakistan Packers, Bazaar, Afghanistan, Yemen and with UK and Egypt lending some support. There was reduced demand and absorption on the fresh West of Rift valley PF1s this week with most selling at the reserve prices but with increase in absorption for the teas reprinted more than four times and above offered at 217 usc. They met steady demand from Pakistan packers, Bazaar, Afghanistan, UK and Egypt.

Kenya Estate PF1s sold at firm to easier rates with some selected Lots selling at dearer rates following quality. They were well supported Pakistan packers, Afghan, Bazar, Egypt, CIS and UK.

M1: Flavoury Rwanda PDs and Dust 1 teas sold at firm to dearer rates by up to 50 usc with very strong demand from Egyptian, Pakistan packers, Yemen and UK Buyers and with improved absorption versus last week.

KTDA East of Rift valley PDs and Dust 1 teas opened at firm to dearer rates versus last week but the prices wobbled during the auction with most marks selling at significantly lower levels in the subsequent catalogues with some of the key buyers reducing their buying and others dropping off impacting negatively on price realization and reduced absorption resulting to same marks selling easier by up to 25 usc versus prices realized earlier in the auction. The support was led by Yemen, Pakistan packers, UK and Egyptian Buyers.

The Kenya Estates and Foreign plantation types PD and Dust 1 teas met good and improved demand especially the better quality leaf types. Best PDs traded irregularly firm to 5-20 usc dearer, below best irregularly firm while good mediums and the plainer types traded irregularly steady at last week's prices. This was due to improved demand from Key Egyptian Buyers, with most buyers bidding at dearer rates versus last week.

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The top ten Buyers in Sale 51 of 2023 are as per below: -

Status	Sold				
Sale No	51				
Sold Packages	Category				
Buyer	M1	M2	M3	S1	Grand Total
GLOBAL TEA & COMMODITIES (K) LTD	3,600	7,880	2,200	7,099	20,779
CARGILL KENYA LTD	5,000	11,560	2,200		18,760
LAB INTERNATIONAL (K) LTD	12,040	2,880	80	640	15,640
CHAI TRADING COMPANY LIMITED	4,320	8,080	2,120	560	15,080
SSOE (KENYA) LTD	3,240	6,960	1,840	780	12,820
JAMES FINLAY MOMBASA LTD	7,040	1,960	280		9,280
MOMBASA COFFEE LTD	8,640				8,640
DEVCHAND KESHAVJI (KENYA) LTD	40	7,680			7,720
MJ CLARKE LTD	2,760	240	160	2,071	5,231
STANSAND (AFRICA) LTD	80	4,040	240	500	4,860

The movement/Variance of the Top Ten Buyers in Sale 51 vs Sale 50 2023: -

Status	Sold		
Category			
Sold Packages	Sale No		
Buyer	51	50	Variance
GLOBAL TEA & COMMODITIES (K) LTD	20,779	17,740	3,039
CARGILL KENYA LTD	18,760	17,640	1,120
LAB INTERNATIONAL (K) LTD	15,640	17,180	(1,540)
CHAI TRADING COMPANY LIMITED	15,080	24,520	(9,440)
SSOE (KENYA) LTD	12,820	20,920	(8,100)
JAMES FINLAY MOMBASA LTD	9,280	3,120	6,160
MOMBASA COFFEE LTD	8,640	8,200	440
DEVCHAND KESHAVJI (KENYA) LTD	7,720	5,160	2,560
MJ CLARKE LTD	5,231	6,960	(1,729)
STANSAND (AFRICA) LTD	4,860	2,820	2,040

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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 September 2023 Crop figures were released and production improved significantly by 9.96 M Kgs from 38.34 M Kgs recorded during the same period last year to 48.30 M Kgs in September 2023, this represents a 26.01 % growth which is attributed to moderate and well distributed rainfall received coupled with warm temperatures recorded in the tea growing areas in the Highlands West of the Rift Valley and some parts of the Central and South of the Rift Valley..

Due to the favorable weather conditions during the period between April and September 2023, cumulative output for the first nine months of the year 2023 was higher by 32.58 M kgs to stand at 412.22 M kgs against 379.64 M kgs recorded during the same period in 2022 which represents increased production by 8.58%.

Sub-Sector	Region	Sep-23	Sep-22	Var, Kgs	Var, %	Jan-Sept 2023	Jan-Sept 2022	Var, Kgs	Var, %
Plantations	West of Rift	22,700,107	18,361,321	4,338,786	23.63%	198,525,451	173,183,261	25,342,190	14.63%
	East of Rift	2,159,864	1,118,332	1,041,532	93.13%	14,572,790	12,011,811	2,560,979	21.32%
	Total	24,859,971	19,479,653	5,380,318	27.62%	213,098,241	185,195,072	27,903,169	15.07%
Smallholder	West of Rift	8,414,226	7,663,731	750,495	9.79%	86,598,426	88,130,163	(1,531,737)	-1.74%
	East of Rift	15,034,118	11,192,976	3,841,142	34.32%	112,529,356	106,315,966	6,213,390	5.84%
	Total	23,448,344	18,856,707	4,591,637	24.35%	199,127,782	194,446,129	4,681,653	2.41%
Smallholder & Plantations	West of Rift	31,114,333	26,025,052	5,089,281	19.56%	285,123,878	261,313,424	23,810,454	9.11%
	East of Rift	17,193,982	12,311,308	4,882,674	39.66%	127,102,145	118,327,776	8,774,369	7.42%
	Total	48,308,315	38,336,360	9,971,955	26.01%	412,226,023	379,641,200	32,584,823	8.58%

Upcoming Auction: Sale 01 of 2024

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 on PF1, PD and Dust 1 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 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.

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Auction Closing Figures for Sale 02 vs Sale 01 of 2024: -

Sale No.	2	1	Variance, Kgs	Variance, %
Fresh teas, Pkgs	166,600	157,275	9,325	5.93%
Reprinted teas, Pkgs	74,900	62,320	12,580	20.19%
Total	<u>241,500</u>	<u>236,210</u>	<u>5,290</u>	<u>2.24%</u>
Fresh teas, Kgs	11,621,100	10,652,036	969,064	9.10%
Reprinted teas, Kgs	5,044,736	4,160,113	884,623	21.26%
Total	<u>16,665,836</u>	<u>15,979,884</u>	<u>685,952</u>	<u>4.29%</u>

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