ATLAS TEA BROKERS LTD

Sec,1 M.Nyali,(off Links Shell Petro Station)
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6th September 2023

Market Summary for Sale 36 of 2023

There were 190,480 packages on offer in the M1 & M2 categories this week which met reduced demand at generally irregular to firm to easier rates than last week. There was a decrease in absorption (55% vs 63% in Sale 35) while the average hammer price was up by 7 usc at USD 2.05 per kg.

The percentage sold was 55% in Sale 36 with 7.3 M Kgs sold versus 63% in Sale 35 where 8.1 M Kgs were sold.
In Sale 36 outlots increased by 28% to 5.9 M Kgs from 4.6 M Kgs in Sale 35, while KTDA outlots increased by 20% in Sale 36 to 4.4 M Kgs from 3.6 M Kgs in Sale 35. 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 36 stood at 75% (4,383,810 Kgs) while total outlots stood at 5,859,505 Kgs.

Sale 36 vs Sale 35 Auction offerings across all the Countries: -

Offerings				
	Sale No			
Country	36	35	Variance	% Variance
Burundi	55,534	63,303	-7,769	-12%
Kenya	11,817,903	11,240,013	577,890	5%
Rwanda	303,066	419,348	-116,282	-28%
Tanzania	92,856	74,129	18,727	25%
Uganda	886,449	875,445	11,004	1%
Total	13,155,808	12,672,238	483,570	3.82%

Sale 36 Absorption across all the Countries: -

Sale No	36				
Country	Sold	Outlots	Total	% Sold	% Outlots
Burundi	44,670	10,864	55,534	80%	20%
Kenya	6,344,599	5,473,304	11,817,903	54%	46%
Rwanda	249,640	53,426	303,066	82%	18%
Tanzania	61,640	31,216	92,856	66%	34%
Uganda	595,754	290,695	886,449	67%	33%
Total, Kgs	7,296,303	5,859,505	13,155,808	55%	45%

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Sold teas in Sale 36 vs Sale 35 per grade: -

Status	Sold			
Kgs	Sale No			
Grade	36	35	Variance	% Variance
BP1	613,117	819,585	-206,468	-25%
DUST1	714,102	837,597	-123,495	-15%
PD	2,579,047	2,783,142	-204,095	-7%
PF1	3,390,037	3,654,841	-264,804	-7%
Total	7,296,303	8,095,165	-798,862	-10%

Out lots in Sale 36 vs Sale 35 per grade: -

Status	Outlots			
Kgs	Sale No			
Grade	36	35	Variance	% Variance
BP1	1,337,738	1,206,447	131,291	11%
DUST1	498,997	557,493	-58,496	-10%
PD	1,672,663	1,117,181	555,482	50%
PF1	2,350,108	1,695,952	654,156	39%
Total	5,859,505	4,577,073	1,282,433	28%

Price

Auction Average Price Movement Sale 36 vs Sale 35

Sale Price($)			
Grade	(All)		
	Sale No		
Country	36	35	Variance
Burundi	2.09	2.03	0.07
Kenya	2.43	2.44	- 0.01
Rwanda	3.61	3.38	0.23
Tanzania	1.09	0.98	0.11
Uganda	1.00	1.04	- 0.04
Average	2.05	1.97	0.07

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Auction Average Price Movement Per grade across all the Countries in Sale 36 vs Sale 35

Sale Price($)			
Grade	BP1		
	Sale No		
Country	36	35	Variance
Burundi	1.65	1.24	0.41
Kenya	2.36	2.32	0.05
Rwanda	5.16	5.19	(0.03)
Tanzania	1.15	0.93	0.22
Uganda	1.07	1.12	(0.06)
Average	2.28	2.16	0.12

Sale Price($)			
Grade	PF1		
	Sale No		
Country	36	35	Variance
Burundi	2.12	2.11	0.01
Kenya	2.64	2.60	0.05
Rwanda	3.33	3.10	0.23
Tanzania	1.07	0.99	0.08
Uganda	0.99	1.06	(0.07)
Average	2.03	1.97	0.06

Sale Price($)			
Grade	PD		
	Sale No		
Country	36	35	Variance
Burundi	2.07	2.08	(0.01)
Kenya	2.16	2.24	(0.08)
Rwanda	3.33	3.21	0.12
Tanzania	1.06	1.03	0.04
Uganda	0.97	0.98	(0.01)
Average	1.92	1.91	0.01

Sale Price($)			
Grade	DUST1		
	Sale No		
Country	36	35	Variance
Burundi	2.28	2.34	(0.06)
Kenya	2.33	2.47	(0.13)
Rwanda	3.01	3.15	(0.13)
Tanzania	1.13	1.10	0.03
Uganda	1.05	1.05	
Average	1.96	2.02	(0.06)

M2: Flavoury Rwanda BP1's continue to be sought after and held value with selected quality types appreciating. However, the absence of one major Sudanese packers saw a number of these types being out-listed as brokers were not willing to meet the market. With Rwanda in the dry season, they expect these types to be absorbed at premium levels. Flavory and below best KTDA EoR BP1's witnessed good demand selling at firm to dearer rates; with a few flavory marks continuing to gain more competition and making good gains which was selective following quality with some high end BP1s still out. There was strong competition and demand on the flavory types was between Kazak and Indian packers with useful support from CIS and Pakistan packers with UK and Yemen nibbling. Sudan was absent this week. 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 20-50 usc. They were well supported Pakistan packers, Afghan, Bazar, Egypt, CIS and UK. However, as the auction progressed demand for these PF1s started slowing down and they started shedding some usc and with the brokers not willing to meet the market some teas didn't sell. 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 reduced demand on the WoR PF1's at firm levels. The balance Mediums were irregularly steady to slightly easier, following quality. 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 low demand 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. EoR PD&D1s were irregularly firm to slightly dearer where they received reduced inquiry from Yemen operators with Pakistan packer and Bazar lending some support. WoR PD&D1s were firm to dearer. Medium types met reduced activity from Egyptian operators, and they traded at steady to easier rates. Neater types received some support from Yemen buyers while Pakistan, Afghan and UK nibbled on some. 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 36 of 2023 are as per below: -

Sale No	36				
Status	Sold				
Sold Packages	Grade				
Buyer	BP1	DUST1	PD	PF1	Grand Total
Global Tea & Commodities Limited	1,640	1,120	3,320	8,080	14,160
James Finley Mombasa	1,280	280	7,940	1,440	10,940
Chai Trading and Company Limited	1,480	880	1,920	6,440	10,720
SSOE Kenya Limited	1,160	1,240	2,120	5,920	10,440
Cargill (K) Ltd	1,640	600	880	5,840	8,960
LAB International	160	1,320	4,160	2,120	7,760
Mombasa Coffee Limited	80	2,000	4,240	1,200	7,520
Devchand Keshavji (K) ltd				5,840	5,840
Mizaj Africa Limited	40	240	3,440	320	4,040
Alibhai Ramji (Msa) Ltd		440	560	2,120	3,120

The movement/Variance of the Top Ten Buyers in Sale 36 vs Sale 35 2023: -

Status	Sold		
Grade	(All)		
Sold Packages	Sale No		
Buyer	36	35	Variance
Global Tea & Commodities Limited	14,160	15,520	-1,360
James Finley Mombasa	10,940	7,240	3,700
Chai Trading and Company Limited	10,720	15,240	-4,520
SSOE Kenya Limited	10,440	7,600	2,840
Cargill (K) Ltd	8,960	16,640	-7,680
LAB International	7,760	13,020	-5,260
Mombasa Coffee Limited	7,520	7,560	-40
Devchand Keshavji (K) ltd	5,840	6,160	-320
Mizaj Africa Limited	4,040	2,740	1,300
Alibhai Ramji (Msa) Ltd	3,120	2,240	880

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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 some parts on both sides of the Rift. Mornings were cloudy, with light rains over few places, giving way to sunny intervals. 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 37 of 2023

Currently the demand for teas across all the categories and from all the buyers has slowed down resulting to reduced absorption. Demand is expected to continue being erratic, selective and following quality to all the tea destinations and with the Egyptian buyers reducing their buying for the last one month and 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.	37	38
Fresh teas, PKgs	139,140	145,740
Reprinted teas, PKgs	36,282	27,660
Total	175,422	173,400
Fresh teas, Kgs	9,429,873	9,878,288
Reprinted teas,Kgs	2,427,842	1,847,425
Total	11,857,715	11,725,713

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