



ATLAS

TEA BROKERS LTD

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

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14th December 2023

Market Summary for Sale 50 of 2023

There were 217,260 packages on offer in the M1 & M2 categories in Sale 50 vs Sale 49 where 237,700 pkgs had been offered which was a decrease by 8.6%. There was improved demand and absorption with buyers bidding at generally firm to easier rates than last week. This week absorption stood at 64% with 9,572,258 Kgs sold while the average hammer price was down by 4 usc at USD 1.91 per kg.

The percentage sold was 64% in Sale 50 with 9.6 M Kgs sold versus 55% in Sale 49 where 9.1 M Kgs were sold which was an increase by 5.64%.

In Sale 50 outlots decreased by 3.6% to 5.4 M Kgs versus 7.3 M Kgs in Sale 49, while KTDA outlots decreased significantly by 35.13% in Sale 50 to 3.7 M Kgs from 5.7 M Kgs in Sale 49.

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 50 vs Sale 49 Auction offerings across all the Countries: -

Offerings				
	Sale No			
Country	50	49	Variance, Kgs	Variance, %
Burundi	78,243	86,159	-7,916	-9%
Kenya	12,669,484	14,483,134	-1,813,650	-13%
Rwanda	709,628	583,380	126,248	22%
Tanzania	115,584	74,076	41,508	56%
Uganda	1,407,483	1,162,828	244,655	21%
Total, Kgs	14,980,422	16,389,577	-1,409,155	-8.60%

Sale 50 Absorption across all the Countries: -

Sale No	50				
Country	Sold	Outlots	Total	% Sold	% Outlots
Burundi	61,563	16,680	78,243	79%	21%
Kenya	7,671,871	4,997,613	12,669,484	61%	39%
Rwanda	581,604	128,024	709,628	82%	18%
Tanzania	68,024	47,560	115,584	59%	41%
Uganda	1,189,196	218,287	1,407,483	84%	16%
Total, Kgs	9,572,258	5,408,164	14,980,422	64%	36%

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Sale 50 vs Sale 49 Auction Absorption across all the Countries: -

Absorption				
	Sale No			
Country	50	49	Variance, Kgs	Variance, %
Burundi	61,563	62,523	-960	-2%
Kenya	7,671,871	7,603,712	68,159	1%
Rwanda	581,604	475,316	106,288	22%
Tanzania	68,024	41,808	26,216	63%
Uganda	1,189,196	877,928	311,268	35%
Total, Kgs	9,572,258	9,061,287	510,971	5.64%

Sold teas Per Grade in Sale 50 vs Sale 49 per grade: -

Status	Sold			
Kgs	Sale No			
Grade	50	49	Variance, Kgs	Variance, %
BP1	826,728	751,970	74,758	9.94%
DUST1	1,044,998	984,815	60,183	6.11%
PD	3,196,845	3,326,721	(129,876)	-3.90%
PF1	4,503,687	3,997,781	505,906	12.65%
Total, Kgs	9,572,258	9,061,287	510,971	5.64%

Out lots Per Grade in Sale 50 vs Sale 49 per grade: -

Status	Outlots			
Weight (Kgs)	Sale No			
Grade	50	49	Variance, Kgs	Variance %
BP1	1,212,376	1,636,208	(423,832)	-26%
DUST1	286,184	484,925	(198,741)	-41%
PD	1,833,562	1,883,541	(49,979)	-3%
PF1	2,076,042	3,323,616	(1,247,574)	-37.54%
Total, Kgs	5,408,164	7,328,290	(1,920,126)	-26.20%

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Price

Auction Average Price Movement Sale 50 vs Sale 49

Sale Price(\$)			
Grade	(All)		
	Sale No		
Country	50	49	Variance
Burundi	2.11	2.03	0.08
Kenya	2.38	2.35	0.04
Rwanda	3.31	3.50	(0.19)
Tanzania	0.97	1.01	(0.04)
Uganda	0.75	0.84	(0.09)
Average	1.91	1.95	(0.04)

Auction Average Price Movement Per grade across all the Countries in Sale 50 vs Sale 49

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	50	49	Variance		Country	50	49	Variance		Country	50	49	Variance		Country	50	49	Variance	
Burundi	2.00	1.77	0.23		Burundi	2.12	2.03	0.09		Burundi	2.10	1.96	0.14		Burundi	2.37	2.40	(0.03)	
Kenya	2.28	2.36	(0.09)		Kenya	2.49	2.52	(0.03)		Kenya	2.19	2.08	0.02		Kenya	2.54	2.50	0.04	
Rwanda	3.66	4.35	(0.68)		Rwanda	3.14	3.25	(0.11)		Rwanda	3.46	3.32	0.14		Rwanda	3.31	3.32	(0.02)	
Tanzania	0.96	1.10	(0.14)		Tanzania	0.93	0.99	(0.06)		Tanzania	1.00	1.01	(0.01)		Tanzania	1.10	1.22	(0.12)	
Uganda	1.01	1.14	(0.13)		Uganda	0.66	0.79	(0.13)		Uganda	0.74	0.78	(0.04)		Uganda	0.77	0.81	(0.04)	
Average	1.98	2.14	(0.16)		Average	1.87	1.92	(0.05)		Average	1.90	1.83	0.07		Average	2.02	2.05	(0.03)	

M2: BP1s demand and absorption eased this week, flavory KTDA East of Rift valley BP1s met irregularly firm to dearer by 30-100 usc while some marks sold easier by up to 110 usc which was highly selective following quality. Demand for High taste Rwanda BP1s was low and highly selective with only a few marks selling at easier rates than last week by 40-110 usc. Below best BP1s traded firm, while KTDA West of Rift valley BP1s traded firm but at reserve prices. Mediums traded irregularly firm, where sold while plainer types also traded easier by upto 30 usc. The support coming from Kazak, CIS, Pakistan, Egypt, South Sudan and the local buyers

Flavory KTDA East of Rift valley PF1s traded irregularly firm to 10 usc dearer with support from Pakistan packers, Bazaar, Afghanistan, UK, Japan and Yemen buyers. KTDA West of Rift valley PF1s traded firm to 5 usc dearer where sold. Older reprints selling at 211 and 217 usc saw improved absorption with most of the teas being sold. Flavory Rwanda PF1s sold easier by 5-30 usc this week due to reduced demand from Egypt and UK buyers with some teas remaining unsold.

Kenya Estate High taste and Mediums PF1s met irregular and selective demand selling at irregularly firm to slightly dearer rates by up to 10 usc following quality with support from Pakistan packers, Egypt, UK, Russia

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and local packers. Plainer types were irregular where better types were steady with the balance tending easier and ignored.

M1: The Dust auction met good demand especially the better quality leaf types. KTDA East of Rift valley PDs and Dust1s traded at firm to dearer levels by up to 20 usc with maintained support from Yemen buyers who were the main drivers supported by Pakistan, Bazaar, CIS, Egypt and UK while West of Rift valley PDs and Dust1s sold at reserve levels and mainly went to Pakistan, Yemen and Egypt buyers. High taste Rwanda PDs and Dust1 teas sold easier by up to 20 usc with reduced demand and absorption from UK, Pakistan and Egyptian Buyers. Kenya Estate PDs continue to sell at firm to easier levels by up to 15 usc due to the current low demand from Egyptian buyers.

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The top ten Buyers in Sale 50 of 2023 are as per below: -

Status	Sold				
Sale No	50				
Sold Packages	Grade				
Buyer	BP1	DUST1	PD	PF1	Grand Total
CHAI TRADING COMPANY LIMITED	2,200	1,440	4,600	13,680	21,920
SSOE (KENYA) LTD	1,440	1,520	4,040	12,640	19,640
CARGILL KENYA LTD	1,840	160	4,080	11,560	17,640
LAB INTERNATIONAL (K) LTD	120	2,920	10,560	3,200	16,800
GLOBAL TEA & COMMODITIES (K) LTD	1,400	1,320	1,360	7,960	12,040
MOMBASA COFFEE LTD	80	2,440	5,560		8,080
DEVCHAND KESHAVJI (KENYA) LTD				5,160	5,160
MJ CLARKE LTD		640	3,360	880	4,880
ABBAS TRADERS LTD	520	360	1,400	880	3,160
JAMES FINLAY MOMBASA LTD	160	520	2,160	200	3,040

The movement/Variance of the Top Ten Buyers in Sale 50 vs Sale 49 2023: -

Status	Sold		
Grade			
Sold Packages	Sale No		
Buyer	50	49	Variance
CHAI TRADING COMPANY LIMITED	21,920	23,160	(1,240)
SSOE (KENYA) LTD	19,640	8,520	11,120
CARGILL KENYA LTD	17,640	15,360	2,280
LAB INTERNATIONAL (K) LTD	16,800	13,880	2,920
GLOBAL TEA & COMMODITIES (K) LTD	12,040	15,080	(3,040)
MOMBASA COFFEE LTD	8,080	11,760	(3,680)
DEVCHAND KESHAVJI (KENYA) LTD	5,160	6,760	(1,600)
MJ CLARKE LTD	4,880	5,520	(640)
ABBAS TRADERS LTD	3,160	2,920	240
JAMES FINLAY MOMBASA LTD	3,040	2,200	840

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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 51 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 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 significantly reduced their buying for the last two weeks 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, reduced demand and increased volumes from Kenya Producers due to the favorable growing conditions.

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Auction Closing Figures for Sale 01 of 2024 vs Sale 51 of 2023: -

Sale No.	1	51	Variance, Kgs	Variance, %
Fresh teas, Pkgs	157,275	170,951	-13,676	-8.00%
Reprinted teas, Pkgs	62,320	65,259	-2,939	-4.50%
Total	<u>219,595</u>	<u>236,210</u>	<u>-16,615</u>	<u>-7.03%</u>
Fresh teas, Kgs	10,652,036	11,588,385	-936,349	-8.08%
Reprinted teas, Kgs	4,160,113	4,391,499	-231,386	-5.27%
Total	<u>14,812,149</u>	<u>15,979,884</u>	<u>-1,167,735</u>	<u>-7.31%</u>

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