ATLAS TEA BROKERS LTD
Sec,1 M.Nyali,(off Links Shell Petro Station)
P.O. Box 3445-80100 Mombasa
Tel: 0711 509979
Email:info@atlastea.co.ke

12th October 2023

Market Summary for Sale 41 of 2023

There were 174,940 packages on offer in the M1 & M2 categories this week which was an increase by 3.44% versus Sale 40 where 169,120 pkgs had been offered. There was reduced demand and absorption with buyers bidding at generally easier rates than last week. This week absorption 63% with 7,613,277 Kgs sold while the average hammer price is down by 2 usc at USD 1.90 per kg.

The percentage sold was 63% in Sale 41 with 7.6 M Kgs sold versus 66% in Sale 40 where 7.7 M Kgs were sold.

In Sale 41 outlots stood at 4.5 M Kgs versus 4.0 M Kgs in Sale 40, while KTDA outlots increased by 14% in Sale 41 to 2.7 M Kgs from 2.4 M Kgs in Sale 40. 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 teas.

Sale 41 vs Sale 40 Auction offerings across all the Countries: -

Offerings				
	Sale No			
Country	41	40	Variance	Variance %
Burundi	51,763	23,284	28,479	122%
Kenya	10,719,765	10,249,109	470,656	5%
Rwanda	253,312	218,300	35,012	16%
Tanzania	42,892	36,864	6,028	16%
Uganda	1,038,500	1,142,499	-103,999	-9%
Total, Kgs	12,106,232	11,670,056	436,176	3.74%

Sale 41 Absorption across all the Countries: -

Sale No	41				
Country	Sold	Outlots	Total	% Sold	% Outlots
Burundi	21,323	30,440	51,763	41%	59%
Kenya	6,854,489	3,865,276	10,719,765	64%	36%
Rwanda	179,128	74,184	253,312	71%	29%
Tanzania	24,800	18,092	42,892	58%	42%
Uganda	533,537	504,963	1,038,500	51%	49%
Total, Kgs	7,613,277	4,492,955	12,106,232	63%	37%

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Sold teas in Sale 41 vs Sale 40 per grade: -

Status	Sold			
Kgs	Sale No			
Grade	41	40	Variance	Variance %
BP1	739,521	785,022	(45,501)	-5.80%
DUST1	729,783	659,961	69,822	10.58%
PD	2,596,148	2,815,846	(219,697)	-7.80%
PF1	3,547,825	3,447,927	99,898	2.90%
Total, Kgs	7,613,277	7,708,756	(95,478)	-1.24%

Out lots in Sale 41 vs Sale 40 per grade: -

Status	Outlots			
Sum of Net Weight	Sale No			
Grade	41	40	Variance	Variance %
BP1	508,876	464,091	44,785	10%
DUST1	274,173	332,373	(58,200)	-18%
PD	1,476,612	1,339,209	137,404	10%
PF1	2,233,294	1,825,628	407,666	22.33%
Total, Kgs	4,492,996	3,961,341	531,655	13%

Price

Auction Average Price Movement Sale 41 vs Sale 40

Sale Price($)			
Grade	(All)		
	Sale No		
Country	41	40	Variance
Burundi	2.02	1.88	0.14
Kenya	2.33	2.33	
Rwanda	3.51	3.71	(0.20)
Tanzania	0.87	0.84	0.03
Uganda	0.78	0.84	(0.05)
Average	1.90	1.92	(0.02)

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Auction Average Price Movement Per grade across all the Countries in Sale 41 vs Sale 40

Grade	BP1		
Sale Price($)			
	Sale No		
Country	41	40	Variance
Burundi	1.95	1.59	0.37
Kenya	2.23	2.12	0.11
Rwanda	4.19	4.26	(0.07)
Tanzania		1.04	
Uganda	1.05	1.00	0.05
Average	2.36	2.00	0.35

Grade	PF1		
Sale Price($)			
	Sale No		
Country	41	40	Variance
Burundi	2.11	2.00	0.11
Kenya	2.35	2.43	(0.08)
Rwanda	3.42	3.46	(0.04)
Tanzania	0.78	0.76	0.02
Uganda	0.72	0.82	(0.10)
Average	1.88	1.89	(0.02)

Grade	PD		
Sale Price($)			
	Sale No		
Country	41	40	Variance
Burundi		2.00	
Kenya	2.32	2.28	0.05
Rwanda	3.21	3.69	(0.48)
Tanzania	1.00		
Uganda	0.72	0.78	(0.06)
Average	1.81	2.19	(0.37)

Grade	DUST1		
Sale Price($)			
	Sale No		
Country	41	40	Variance
Kenya	2.37	2.28	0.09
Rwanda	3.09	3.21	(0.12)
Tanzania	0.76	1.22	(0.46)
Uganda	0.79	0.85	(0.06)
Uganda	0.85	0.85	
Average	1.57	1.68	(0.11)

M2: Best BP1's met selective demand at irregularly firm to easier rates with a few selected lots tending dearer. The KTDA East of Rift valley and Kenya Estate BP1s sold at firm to dearer levels by 10-30 usc where sold, with some lots shedding a few usc while some went out as outlots. KTDA West of Rift valley BP1s sold at firm levels with most selling at the reserved prices. Similar to last week, they met selective demand from Pakistan packers. The balance medium BP1's witnessed irregular enquiry from CIS, Pakistan, UK and Local packers but at steady to easier levels. Plainer BP1's were irregularly steady to easier and saw improved enquiry from South Sudan and local packers.
Rwanda and KTDA East of Rift valley PF1's saw demand and competition reduced significantly and they were biggest losers of this week with most teas selling easier 10-30 usc where sold with some lots attracting very low or no bids and ended out as out lots. There was steady absorption from Pakistan packers, Afghan, Egypt, UK, Yemen and Japan. KTDA West of Rift valley PF1s met steady interest from Pakistan packers, bazar, Yemen and the UK. The Kenya Estate PF1s and mediums opened irregular easier rates and continued to depreciate with the same. They met selective demand from the Bazar, Pakistan packers, UK and local packers. Plainer types were irregularly steady to easier met selective demand.

M1: There was a slight improvement in activity in the M1 auction this week where most teas on offer were absorbed but at significantly lower levels than last week. Rwanda and KTDA East of Rift valley PDs and D1s traded at easier rates by 10-30 usc following quality and maintained inquiry from Yemen, Pakistan packers with UK and Egyptian buyers lending some support. West of Rift valley PDs and D1s remained firm at the reserve prices. UK operated on the quality types at firm to dearer rates. Kenyan Estate and Mediums PDs and D1s traded at firm to dearer by up to 10 usc with strong support from Egyptian buyers. UK, Yemen and Bazar also offered some support on their preferred certified and black leaf types respectively. Plainer types remained steady to easier with some being neglected and ended out as out lots.

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The top ten Buyers in Sale 41 of 2023 are as per below: -

Status	Sold				
Sale No	41				
Sold Packages	Grade				
Buyer	BP1	DUST1	PD	PF1	Grand Total
Chai Trading Company Ltd	1,720	800	2,960	12,840	18,320
Global Teas and Commodities	1,840	1,400	4,680	9,320	17,240
LAB International	80	2,720	4,780	4,440	12,020
James Finlay Mombasa Ltd	800	80	6,600	1,320	8,800
Mombasa Coffee Ltd	80	2,280	5,080	720	8,160
Cargill Kenya Limited	1,120	440	1,440	4,680	7,680
Devchand Keshavji (K) Ltd				4,320	4,320
MJ Clarke Ltd		360	3,280	440	4,080
Mizaj Africa Ltd	40	200	2,680	200	3,120
SSOE Kenya Ltd	400	40	240	2,360	3,040

The movement/Variance of the Top Ten Buyers in Sale 41 vs Sale 40 2023: -

Status	Sold		
Grade			
Sold Packages	Sale No		
Buyer	41	40	Variance
Chai Trading Company Ltd	18,320	18,400	(80)
Global Teas and Commodities Ltd	17,240	17,440	(200)
LAB International	12,020	11,400	620
James Finlay Mombasa Ltd	8,800	6,560	2,240
Mombasa Coffee Ltd	8,160	6,040	2,120
Cargill Kenya Limited	7,680	9,560	(1,880)
Devchand Keshavji (K) Ltd	4,320	3,720	600
MJ Clarke Ltd	4,080	4,960	(880)
Mizaj Africa Ltd	3,120	4,360	(1,240)
SSOE Kenya Ltd	3,040	2,480	560

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Weather and Crop

Weather conditions in the tea growing areas remain normal for the time of the year. Rainfall continued to be recorded in various parts of the Highlands East &West of the Rift Valley. Early morning cloudiness with occasional light rains was recorded in a few places giving way to sunny intervals. The harvested crop has 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 42 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 especially on PF1 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 for this week but are bidding at irregular 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.	43	42	Variance, Kgs	Variance, %
Fresh teas, Pkgs	147,500	140,220	7,280	5.19%
Reprinted teas, Pkgs	55,140	52,120	3,020	5.79%
Total	202,640	192,340	10,300	5.36%
Fresh teas, Kgs	10,015,250	9,565,814	449,436	4.70%
Reprinted teas, Kgs	3,732,727	3,535,042	197,685	5.59%
Total	13,747,977	13,100,856	647,121	4.94%

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