



7th February 2024

Market Summary for Sale 06 of 2024

There were 19,957,727 Kgs on offer in all the categories in Sale 06 of 2024 vs Sale 05 of 2024 where 19,217,236 Kgs had been offered which was an increase by 3.85%. There was a decrease in demand and absorption with buyers bidding at generally irregular rates than last auction and buying lower volumes than last week with absorption decreasing by 3.38%. This week absorption stood at 52% with 10,469,900 Kgs sold while the average hammer price was down by 4 usc at USD 1.88 per kg.

The percentage sold was 52% in Sale 06/2024 with 10.5 M Kgs sold versus 56% in Sale 05/2024 where 10.8 M Kgs were sold which was a decrease by 3.38%. In Sale 06 outlots increased significantly by 13.21% to 9.5 M Kgs versus 8.4 M Kgs in Sale 05. KTDA absorption increased by 2.23 % from 4.8 M Kgs in Sale 05/2024 to 5.0 M Kgs in Sale 06/2024 while outlots increased significantly by 14.73% in Sale 06 to 8.2 M Kgs from 7.1 M Kgs in Sale 05/2024.

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 06/2024 vs Sale 05/2024 Auction offerings across all the Countries: -

Offerings				
	Sale No			
Country	6	5	Variance, Kgs	Variance, %
Burundi	67,620	116,572	-48,952	-42%
Kenya	17,535,628	16,511,013	1,024,615	6%
Rwanda	705,440	869,456	-164,016	-19%
Tanzania	241,964	330,688	-88,724	-27%
Uganda	1,407,075	1,389,507	17,568	1%
Total, Kgs	19,957,727	19,217,236	740,491	3.85%

Sale 06/2024 Absorption across all the Countries: -

Sale No	6				
Country	Sold	Outlots	Total	% Sold	% Outlots
Burundi	40,342	27,278	67,620	60%	40%
Kenya	8,442,029	9,093,599	17,535,628	48%	52%
Rwanda	540,616	164,824	705,440	77%	23%
Tanzania	202,148	39,816	241,964	84%	16%
Uganda	1,244,765	162,310	1,407,075	88%	12%
Total, Kgs	10,469,900	9,487,827	19,957,727	52%	48%

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Sale 06/2024 vs Sale 05/2024 Auction Absorption across all the Countries: -

Absorption				
	Sale No			
Country	6	5	Variance, Kgs	Variance, %
Burundi	40,342	68,856	-28,514	-41%
Kenya	8,442,029	8,625,191	-183,162	-2%
Rwanda	540,616	721,956	-181,340	-25%
Tanzania	202,148	191,700	10,448	5%
Uganda	1,244,765	1,228,540	16,225	1%
Total, Kgs	10,469,900	10,836,243	-366,343	-3.38%

Sale 06/2024 vs Sale 05/2024 Auction Outlots across all the Countries: -

Outlots				
	Sale No			
Country	6	5	Variance, Kgs	Variance, %
Burundi	27,278	47,716	-20,438	-43%
Kenya	9,093,599	7,885,822	1,207,777	15%
Rwanda	164,824	147,500	17,324	12%
Tanzania	39,816	138,988	-99,172	-71%
Uganda	162,310	160,967	1,343	1%
Total, Kgs	9,487,827	8,380,993	1,106,834	13.21%

Main Grade Teas Sold in Sale 06/2024 vs Sale 05/2024 per grade: -

Status	Sold			
Kgs	Sale No			
Grade	6	5	Variance, Kgs	Variance, %
BP1	921,935	937,098	(15,163)	-1.62%
DUST1	825,224	826,979	(1,755)	-0.21%
PD	2,999,702	3,218,874	(219,172)	-6.81%
PF1	4,479,265	4,561,323	(82,058)	-1.80%
Total, Kgs	9,226,126	9,544,274	(318,148)	-3.33%

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Status	Outlots			
Weight (Kgs)	Sale No			
Grade	6	5	Variance, Kgs	Variance %
BP1	2,377,470	1,763,411	614,059	35%
DUST1	749,764	472,664	277,100	59%
PD	2,272,950	1,824,417	448,533	25%
PF1	3,929,775	4,092,112	(162,337)	-3.97%
Total, Kgs	9,329,959	8,152,604	1,177,355	14.44%

Status	(Multiple Items) ▾											
Sale No	6 ▾											
Sum of Total Weight	Column Labels ▾											
Row Labels ▾	1	2	3	4	5	6	7	8	11	12	15	Grand Total
Burundi	5,998	2,228	888									9,114
Kenya	363,595	106,912	43,732	34,928	11,168	22,352	22,948	5,396	2,964	5,920	5,900	625,815
Rwanda	50,344	35,792	10,496									96,632
Tanzania	20,044	7,608	4,620									32,272
Uganda	149,008	47,696	7,004	2,144								205,852
Grand Total	588,989	200,236	66,740	37,072	11,168	22,352	22,948	5,396	2,964	5,920	5,900	969,685

Status	(Multiple Items)																		
Sale No	6																		
Sum of Total Weight	Column Labels																		
Row Labels	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	Grand Total
Burundi	17,544	4,450	2,152																24,146
Kenya	1,688,025	1,306,348	476,220	86,504	123,060	191,141	1,429,616	653,508	338,757	92,028	33,524	31,706	23,176	38,994	30,656	4,832	5,880	5,870	6,559,845
Rwanda	28,636	23,860																	52,496
Tanzania	4,392	2,192																	6,584
Uganda	35,342	6,606	2,392																44,430
Grand Total	1,773,939	1,343,546	480,764	86,504	123,060	191,141	1,429,616	653,508	338,757	92,028	33,524	31,706	23,176	38,994	30,656	4,832	5,880	5,870	6,687,501

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Price

Auction Average Price Movement Sale 06/2024 vs Sale 04/20234

Sale Price(\$)			
Grade	(All)		
	Sale No		
Country	6	5	Variance
Burundi	2.13	1.98	0.15
Kenya	2.39	2.35	0.04
Rwanda	3.21	3.50	(0.28)
Tanzania	0.80	0.87	(0.07)
Uganda	0.85	0.87	(0.01)
Average	1.88	1.91	(0.04)

Auction Average Price Movement Per grade across all the Countries in Sale 06 vs Sale 05/2024

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	6	5	Variance		Country	6	5	Variance		Country	6	5	Variance		Country	6	5	Variance	
Burundi	2.01	2.03	(0.02)		Burundi	2.34	2.10	0.25		Burundi	2.00	1.68	0.32		Burundi	2.52	1.86	0.66	
Kenya	2.15	2.01	0.14		Kenya	2.52	2.50	0.02		Kenya	2.26	2.18	0.08		Kenya	2.35	2.39	(0.04)	
Rwanda	2.74	3.55	(0.81)		Rwanda	3.21	3.35	(0.13)		Rwanda	3.74	3.72	0.02		Rwanda	3.33	3.39	(0.06)	
Tanzania	0.89	0.81	0.08		Tanzania	0.69	0.84	(0.15)		Tanzania	0.95	1.00	(0.05)		Tanzania	0.91	0.95	(0.04)	
Uganda	0.92	0.95	(0.04)		Uganda	0.69	0.74	(0.04)		Uganda	0.95	0.94	0.01		Uganda	0.94	0.96	(0.02)	
Average	1.74	1.87	(0.13)		Average	1.89	1.90	(0.01)		Average	1.98	1.91	0.07		Average	2.01	1.91	0.10	

M2: Flavory KTDA East of Rift valley BP1s sold at irregularly firm to dearer rates due to improved demand from UK and Pakistan buyers while Flavory Rwanda BP1 teas sold easier by up to 130 usc with a significant reduction in demand from Russia, Egypt, UK, Kazak and CIS countries. Below best traded firm to dearer following quality while KTDA West of Rift valley BP1s remained firm and with most of the teas remaining unsold. Kenya Estate BP1s lost momentum for the second week with most selling easier than last weeks following quality and most teas remaining unsold due to poor quality and low demand. Medium quality types from Uganda and Tanzania met good demand but at irregular rates with very strong demand and support from South Sudan and the local packers.

Rwanda and KTDA East of Rift valley PF1s lost momentum this week but with fair demand from Pakistan packers, Bazaar, UK, Egypt and Yemen Buyers but at easier rates than last week with most of the teas selling easier by 10-30 usc. KTDA West of Rift valley PF1s traded firm at the reserve price following quality with the steady demand coming from Pakistan packers, Bazaar, UK and Yemen buyers. Kenya Estate High taste and medium PF1s continued to trade irregularly firm to dearer rates by up to 30 usc following quality with strong demand from Pakistan packers, Bazaar, Afghanistan, Local, UK and Egypt buyers.

M1: The M1 auction met improved demand at generally firm to dearer rates across all the categories of teas on offer. Rwanda and KTDA East of Rift valley PDs and Dust 1 teas lost momentum this week selling at easier

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rates than last week by up to 30 usc but with improved absorption. KTDA West of Rift valley PDs and Dust 1 teas sold at the reserve prices following quality where sold but with a huge volume remaining unsold as there was low demand. Kenya Estate PDs and Dust 1 teas met much improved demand and absorption with most of the teas selling dearer by up to 40 usc but following quality. The UK, Egyptian, Yemen and Pakistan packers lent strong support for this week's dust auction.

Upcoming Auction: Sale 07 of 2024

Demand is expected to continue being erratic, selective and following quality to all the tea destinations. The ongoing Israel-Palestine war has resulted to the disruption of shipments of teas from Mombasa to various shipment destinations through the Red Sea. Egyptian buyers significantly 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 with a record crop of 575 Million Kilos expected for 2023 and record figures expected for January 2024.

Offerings in the coming auctions continue to be high, fresh teas offered being 11,607,923 Kgs and 11,422,605 Kgs printed in Sale 08 and Sale 07 respectively. The huge outlots offered in both Sale 08 and 07, a total of 16,728,999 Kgs and the unsold teas in this weeks, Sale 06 which as at now stand at 9,487,827 Kgs have also highly contributed to the depressed prices being realized in the auction and will continue to negatively affect the realized prices due to these huge carry over volumes. Although most of the tea consuming countries are experiencing winter conditions which may result into increased tea consumption in these countries, the expected increase in demand for tea may be too low compared to the increase in supply of tea which may impact on the price realization in the auction.

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The top ten Buyers in Sale 06 of 2024 are as per below: -

Status	Sold				
Sale No	6				
Sold Packages	Category				
Buyer	M1	M2	M3	S1	Grand Total
CHAI TRADING COMPANY LIMITED	3,160	17,440	1,400	340	22,340
JAMES FINLAY MOMBASA LTD	9,520	8,400	480	900	19,300
LAB INTERNATIONAL (K) LTD	8,680	4,920	120	1,680	15,400
GLOBAL TEA & COMMODITIES (K) LTD	2,400	3,040	3,200	4,420	13,060
CARGILL KENYA LTD	2,760	5,920	2,680		11,360
MOMBASA COFFEE LTD	7,600	1,200	160	280	9,240
MJ CLARKE LTD	3,000	1,560		2,520	7,080
DEVCHAND KESHAVJI (KENYA) LTD		6,600			6,600
SSOE (KENYA) LTD	2,560	1,920	480	420	5,380
SUMMER LINER COMPANY LTD		680	800	3,280	4,760

The movement/Variance of the Top Ten Buyers in Sale 06/2024 vs Sale 05/2024: -

Status	Sold		
Category			
Sold Packages	Sale No		
Buyer	6	5	Variance
CHAI TRADING COMPANY LIMITED	22,340	18,180	4,160
JAMES FINLAY MOMBASA LTD	19,300	20,100	(800)
LAB INTERNATIONAL (K) LTD	15,400	13,540	1,860
GLOBAL TEA & COMMODITIES (K) LTD	13,060	12,820	240
CARGILL KENYA LTD	11,360	12,800	(1,440)
MOMBASA COFFEE LTD	9,240	9,020	220
MJ CLARKE LTD	7,080	5,080	2,000
DEVCHAND KESHAVJI (KENYA) LTD	6,600	9,520	(2,920)
SSOE (KENYA) LTD	5,380	6,580	(1,200)
SUMMER LINER COMPANY LTD	4,760	3,580	1,180

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Weather and Crop

Weather conditions remain conducive for growing tea with most of the tea factories operating in full capacity. Regular rainfall with slightly decreasing day temperatures is causing crop intake to remain steady in Kenya East of Rift valley while in areas of Kenya West of Rift valley recorded heavy rainfall, day temperatures decreased while night temperatures increased and the crop intake increased marginally. The crop being harvested is at season's level.

The Kenya November 2023 Crop figures were released and production improved slightly by 1.68 M Kgs from 49.22 M Kgs recorded during the same period last year in 2022 to 50.90 M Kgs in November 2023, this represents a 3.42 % growth which is attributed to wet weather conditions experienced in the tea growing areas in the country. Due to the continued favorable weather conditions during the period between April and November 2023, cumulative output for the first eleven months of the year 2023 was higher by 37.92 M kgs to stand at 515.92 M kgs against 477.99 M kgs recorded during the same period in 2022 which represents increased production by 7.94%.

Sub-Sector	Region	Nov-23	Nov-22	Var, Kgs	Var, %	Jan-Nov 2023	Jan-Nov 2022	Var, Kgs	Var, %
Plantations	West of Rift	23,926,933	25,393,506	(1,466,573)	-5.78%	247,159,048	218,386,655	28,772,393	13.17%
	East of Rift	1,960,231	1,762,336	197,895	11.23%	19,151,215	16,862,605	2,288,610	13.57%
	Total	25,887,164	27,155,842	(1,268,678)	-4.67%	266,310,263	235,249,260	31,061,003	13.20%
Smallholder	West of Rift	10,436,626	10,241,612	195,014	1.90%	108,367,912	108,344,136	23,776	0.02%
	East of Rift	14,581,359	11,822,805	2,758,554	23.33%	141,246,039	134,401,260	6,844,779	5.09%
	Total	25,017,985	22,064,417	2,953,568	13.39%	249,613,951	242,745,396	6,868,555	2.83%
Smallholder & Plantations	West of Rift	34,363,559	35,635,117	(1,271,558)	-3.57%	355,526,960	326,730,791	28,796,169	8.81%
	East of Rift	16,541,964	13,585,141	2,956,823	21.77%	160,397,254	151,263,864	9,133,390	6.04%
	Total	50,905,523	49,220,258	1,685,265	3.42%	515,924,214	477,994,655	37,929,559	7.94%

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Auction Closing Figures for Sale 08 vs Sale 07 of 2024: -

Sale No.	8	7	Variance, Kgs	Variance, %
Fresh teas, Pkgs	171,960	168,080	3,880	2.31%
Reprinted teas, Pkgs	127,740	119,879	7,861	6.56%
Total	<u>299,700</u>	<u>287,959</u>	<u>11,741</u>	<u>4.08%</u>
Fresh teas, Kgs	11,607,923	11,422,605	185,318	1.62%
Reprinted teas, Kgs	8,626,418	8,102,581	523,838	6.47%
Total	<u>20,234,341</u>	<u>19,525,186</u>	<u>709,156</u>	<u>3.63%</u>

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