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

17th January 2024

Market Summary for Sale 03 of 2024

There were 18,420,584 Kgs on offer in all the categories in Sale 03 of 2024 vs Sale 02 of 2024 where 16,336,258 Kgs had been offered which was an increase by 12.71%. There was reduced demand and absorption with buyers bidding at generally irregular rates than last auction and buying low volumes than last week with absorption decreasing by 4.67%. This week absorption stood at 53% with 9,831,090 Kgs sold while the average hammer price was down by 2 usc at USD 1.84 per kg.

The percentage sold was 53% in Sale 03/2024 with 9.8 M Kgs sold versus 63% in Sale 02/2024 where 10.3 M Kgs were sold which was a decrease by 4.67%.
In Sale 03 outlots increased by 42.59% to 8.6 M Kgs versus 6.0 M Kgs in Sale 02. KTDA absorption decreased by 7.25% from 5.2 M Kgs in Sale 02/2024 to 4.8 M Kgs in Sale 03/2024 while outlots increased significantly by 48.12% in Sale 03 to 7.1 M Kgs from 4.8 M Kgs in Sale 02/2024.
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 03/2024 vs Sale 02/2024 Auction offerings across all the Countries: -

Offerings				
	Sale No			
Country	3	2	Variance, Kgs	Variance, %
Burundi	108,338	109,296	-958	-1%
Kenya	16,005,517	13,937,209	2,068,308	15%
Rwanda	690,686	718,632	-27,946	-4%
Tanzania	86,310	209,656	-123,346	-59%
Uganda	1,529,733	1,361,465	168,268	12%
Total, Kgs	18,420,584	16,336,258	2,084,326	12.76%

Sale 03/2024 Absorption across all the Countries: -

Sale No	3				
Country	Sold	Outlots	Total	% Sold	% Outlots
Burundi	75,026	33,312	108,338	69%	31%
Kenya	7,980,807	8,024,710	16,005,517	50%	50%
Rwanda	522,398	168,288	690,686	76%	24%
Tanzania	49,736	36,574	86,310	58%	42%
Uganda	1,203,123	326,610	1,529,733	79%	21%
Total, Kgs	9,831,090	8,589,494	18,420,584	53%	47%

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Sale 03/2024 vs Sale 02/2024 Auction Absorption across all the Countries: -

Absorption				
	Sale No			
Country	3	2	Variance, Kgs	Variance, %
Burundi	75,026	60,152	14,874	25%
Kenya	7,980,807	8,401,144	-420,337	-5%
Rwanda	522,398	544,220	-21,822	-4%
Tanzania	49,736	164,156	-114,420	-70%
Uganda	1,203,123	1,142,675	60,448	5%
Total, Kgs	9,831,090	10,312,347	-481,257	-4.67%

Sale 03/2024 vs Sale 02/2024 Auction Outlots across all the Countries: -

Outlots				
	Sale No			
Country	3	2	Variance, Kgs	Variance, %
Burundi	33,312	49,144	-15,832	-32%
Kenya	8,024,710	5,536,065	2,488,645	45%
Rwanda	168,288	174,412	-6,124	-4%
Tanzania	36,574	45,500	-8,926	-20%
Uganda	326,610	218,790	107,820	49%
Total, Kgs	8,589,494	6,023,911	2,565,583	42.59%

Main Grade Teas Sold in Sale 03/2024 vs Sale 02/2024 per grade: -

Status	Sold			
Kgs	Sale No			
Grade	3	2	Variance, Kgs	Variance, %
BP1	899,315	976,848	(77,533)	-7.94%
DUST1	921,099	898,084	23,015	2.56%
PD	2,841,360	3,297,790	(456,430)	-13.84%
PF1	4,174,774	4,187,099	(12,325)	-0.29%
Total, Kgs	8,836,548	9,359,821	(523,273)	-5.59%

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Main Grade Out Lots Teas in Sale 03/2024 vs Sale 02/2024 per grade: -

Status	Outlots			
Weight (Kgs)	Sale No			
Grade	3	2	Variance, Kgs	Variance %
BP1	2,223,144	1,240,930	982,214	79%
DUST1	590,732	343,240	247,492	72%
PD	2,124,440	1,514,075	610,365	40%
PF1	3,463,300	2,625,991	837,309	31.89%
Total, Kgs	8,401,616	5,724,236	2,677,380	46.77%

Sold Reprinted teas in Sale 03/2024

Sale No	3									
Status	Sold									
Total Weight (Kgs)	Reprinted Times, (RP)									
Country	1	2	3	4	5	6	7	8	10	13	Grand Total
Burundi						2,384		4,911			7,295
Kenya	523,655	210,901	9,656	11,016	44,152	82,314	40,260	3,140	5,928	3,112	934,134
Rwanda	36,394										36,394
Tanzania	6,576										6,576
Uganda	70,836	36,968	12,508	7,648	4,936						132,896
Grand Total	637,461	247,869	22,164	18,664	49,088	84,698	40,260	8,051	5,928	3,112	1,117,295

Unsold Reprinted teas in Sale 03/2024

Sale No	3																
Status	(Multiple Item																
Sum of Total Weight	RP																
Country	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	Grand Total
Burundi	6,690	3,042																9,732
Kenya	1,524,624	627,821	138,404	165,180	222,497	1,506,132	670,081	335,972	133,100	62,212	38,154	56,288	62,402	42,452	16,616	5,880	5,870	5,613,685
Rwanda	65,168	10,512																75,680
Tanzania	9,822	2,352																12,174
Uganda	68,202	27,552	7,044	2,504														105,302
Grand Total	1,674,506	671,279	145,448	167,684	222,497	1,506,132	670,081	335,972	133,100	62,212	38,154	56,288	62,402	42,452	16,616	5,880	5,870	5,816,573

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Price

Auction Average Price Movement Sale 03/2024 vs Sale 02/20234

Sale Price($)			
Grade	(All)		
	Sale No		
Country	3	2	Variance
Burundi	2.09	2.05	0.04
Kenya	2.36	2.32	0.03
Rwanda	3.13	3.21	(0.07)
Tanzania	0.83	0.87	(0.05)
Uganda	0.79	0.84	(0.05)
Average	1.84	1.86	(0.02)

Auction Average Price Movement Per grade across all the Countries in Sale 03 vs Sale 02/2024

Grade	BP1		
Sale Price($)			
	Sale No		
Country	3	2	Variance
Burundi	2.23	2.02	0.21
Kenya	2.22	2.14	0.08
Rwanda	3.10	3.33	(0.23)
Tanzania	0.86	0.81	0.05
Uganda	0.84	0.91	0.01
Average	1.85	1.84	0.01

Grade	PF1		
Sale Price($)			
	Sale No		
Country	3	2	Variance
Burundi	2.04	2.06	(0.02)
Kenya	2.50	2.44	0.06
Rwanda	2.99	2.97	0.02
Tanzania	0.67	0.76	(0.09)
Uganda	0.66	0.66	
Average	1.77	1.78	(0.01)

Grade	PD		
Sale Price($)			
	Sale No		
Country	3	2	Variance
Burundi	2.00	2.01	(0.01)
Kenya	2.16	2.22	(0.06)
Rwanda	3.43	3.52	(0.09)
Tanzania	1.09	0.96	0.13
Uganda	0.85	0.99	(0.14)
Average	1.91	1.94	(0.03)

Grade	DUST1		
Sale Price($)			
	Sale No		
Country	3	2	Variance
Burundi	2.21	2.36	(0.15)
Kenya	2.38	2.35	0.03
Rwanda	3.05	3.30	(0.25)
Tanzania	0.98	0.95	0.03
Uganda	0.91	1.00	(0.09)
Average	1.91	1.99	(0.09)

M2: Flavory Rwanda and KTDA East of Rift valley BP1s sold at irregularly at very easier rates due to reduced interest from Kazak, CIS, UK, Pakistan & Egypt following quality. KTDA West of Rift valley and Burundi BP1s sold at the reserve prices, where sold with most of the teas neglected and ending as outlots. Kenya Estate High taste BP1s met fairly improved but selective following quality with support from Pakistan, UAE and Egyptian buyers. Medium BP1s met improved demand at irregularly steady rates. While plainer types traded irregularly firm to dearer. Its worth noting that of the 3.1 M kgs of BP1s offered in Sale 03 only 899,315 Kgs, 29% of the BP1s were sold this week.

KTDA East of Rift valley PF1s met improved demand this week and most of the teas traded at firm to dearer rates by up to 20 usc due to improved demand from the Key Pakistan packers, Bazaar, Afghan, UK and Japan buyers. High taste Rwanda PF1s lost momentum for the second week with the demand being highly selective following quality and the realized prices being irregular and with some teas remaining unsold due to lack of bids, all the Rwanda traded easier this week by up to 46 usc. KTDA West of Rift valley PF1s sold firm at reserve prices with low demand from Afghan, Bazaar, Pakistan and UK packers and with a huge volume of both fresh and reprinted teas remaining unsold. Kenya Estate PF1s recorded an improved absorption and realized prices for the third week now with support from Pakistan packers, Bazaar, UK and Egyptian Buyers with most of the marks selling at firm to dearer levels by up to 30 usc following quality.

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M1: Fair demand was exhibited in the Dust auction this week with prices ranging from firm to dearer for Rwanda and KTDA types while mediums and Plainer types were generally steady to easier. Rwanda and KTDA East of Rift valley PD and Dust 1 teas were irregularly firm to dearer by up to 30 usc and they received improved inquiry from Yemen, supported by Pakistan, UK and Egypt Buyers. KTDA West of Rift valley PD and Dust 1 teas traded at the set reserve prices. Kenya Estate PD and Dust 1 teas traded irregularly at firm to easier rates following quality with slightly reduced from Egyptian, UK, Yemen and Pakistan packers.

Upcoming Auction: Sale 04 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 with the Yemen being the most impacted currently which resulted to a significant decrease in their purchases this week, and is expected to negatively impact on the upcoming auctions. The 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 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.

The drop in price is as a result of huge supply of teas in the auction coupled with reduced demand from the key markets, payment and shipment challenges, as well as buyers anticipating continued huge printing of teas in the coming auctions due to favorable weather conditions in the tea growing and the ongoing fertilizer application by the KTDA smallholder farmers will result in production of high tea volumes. Offerings in the coming auctions continue to be a record high offering of fresh teas with 12,401,965 Kgs and 12,867,545 Kgs printed in Sale 04 and Sale 05 respectively. The huge outlots in both Sale 04 and 05, a total of 14,043,382 Kgs have also highly contributed to the depressed prices being realized in the auction and will continue to negatively affect the realized prices. 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 03 of 2024 are as per below: -

Status	Sold				
Sale No	3				
Sold Packages	Category				
Buyer	M1	M2	M3	S1	Grand Total
CHAI TRADING COMPANY LIMITED	2,480	10,480	2,280	800	16,040
SSOE (KENYA) LTD	5,160	7,000	1,520	540	14,220
GLOBAL TEA & COMMODITIES (K) LTD	4,480	4,720	2,840	1,660	13,700
MOMBASA COFFEE LTD	8,000	2,520	160	420	11,100
DEVCHAND KESHAVJI (KENYA) LTD	40	10,320			10,360
JAMES FINLAY MOMBASA LTD	6,440	2,720	120	480	9,760
LAB INTERNATIONAL (K) LTD	5,480	3,640	320	200	9,640
CARGILL KENYA LTD	1,760	3,000	1,140		5,900
STANSAND (AFRICA) LTD	280	3,640	320	380	4,620
ABBAS TRADERS LTD	2,120	1,360	280	740	4,500

The movement/Variance of the Top Ten Buyers in Sale 03/2024 vs Sale 02/2024: -

Status	Sold		
Category			
Sold Packages	Sale No		
Buyer	3	2	Variance
CHAI TRADING COMPANY LIMITED	16,040	20,121	(4,081)
SSOE (KENYA) LTD	14,220	11,100	3,120
GLOBAL TEA & COMMODITIES (K) LTD	13,700	15,960	(2,260)
MOMBASA COFFEE LTD	11,100	7,360	3,740
DEVCHAND KESHAVJI (KENYA) LTD	10,360	7,640	2,720
JAMES FINLAY MOMBASA LTD	9,760	9,960	(200)
LAB INTERNATIONAL (K) LTD	9,640	9,380	260
CARGILL KENYA LTD	5,900	18,320	(12,420)
STANSAND (AFRICA) LTD	4,620	3,380	1,240
ABBAS TRADERS LTD	4,500	4,460	40

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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 October 2023 Crop figures were released and production improved slightly by 2.18 M Kgs from 50.61 M Kgs recorded during the same period last year to 52.79 M Kgs in October 2023, this represents a 4.31 % 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 October 2023, cumulative output for the first ten months of the year 2023 was higher by 34.76 M kgs to stand at 465.01M kgs against 430.25 M kgs recorded during the same period in 2022 which represents increased production by 8.08%.

Sub-Sector	Region	Oct-23	Oct-22	Var, Kgs	Var, %	Jan-Oct 2023	Jan-Oct 2022	Var, Kgs	Var, %
Plantations	West of Rift	24,706,664	21,352,366	3,354,298	15.71%	223,232,115	194,535,627	28,696,488	14.75%
	East of Rift	2,618,194	3,088,458	(470,264)	-15.23%	17,190,984	15,100,269	2,090,715	13.85%
	Total	27,324,858	24,440,824	2,884,034	11.80%	240,423,099	209,635,896	30,787,203	14.69%
Smallholder	West of Rift	11,332,860	9,908,293	1,424,567	14.38%	97,931,286	98,038,456	(107,170)	-0.11%
	East of Rift	14,134,951	16,262,490	(2,127,539)	-13.08%	126,664,306	122,578,455	4,085,851	3.33%
	Total	25,467,811	26,170,783	(702,972)	-2.69%	224,595,592	220,616,911	3,978,681	1.80%
Smallholder & Plantations	West of Rift	36,039,524	31,260,659	4,778,865	15.29%	321,163,401	292,574,084	28,589,317	9.77%
	East of Rift	16,753,145	19,350,948	(2,597,803)	-13.42%	143,855,290	137,678,724	6,176,566	4.49%
	Total	52,792,669	50,611,607	2,181,062	4.31%	465,018,691	430,252,808	34,765,883	8.08%

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Auction Closing Figures for Sale 05 vs Sale 04 of 2024: -

Sale No.	5	4	Variance, Kgs	Variance, %
Fresh teas, Pkgs	183,639	191,039	-7,400	-3.87%
Reprinted teas, Pkgs	102,080	106,260	-4,180	-3.93%
Total	285,719	297,299	-11,580	-3.90%
Fresh teas, Kgs	12,401,965	12,867,545	-465,580	-3.62%
Reprinted teas, Kgs	6,895,802	7,147,580	-251,778	-3.52%
Total	19,297,767	20,015,125	-717,358	-3.58%

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