

14th June 2023

Market Summary

The 224,380 packages on offer in the M1 & M2 categories met reduced demand at irregularly steady to easier rates. There was reduced absorption (100,240 pkgs outlots vs 83,880 pkgs in Sale 23) while the average hammer price was firm at USD 2.11 per kg.

The percentage sold was 55% in Sale 24 versus 60% in Sale 23 with 100,240 pkgs remaining as outlots. A huge percentage of the unsold teas were primarily KTDA reprints and fresh offers which seem to pile up every week due to the reserve prices and reduced demand from the key buyers. In sale 24 KTDA outlots were 82,000 pkgs which represents 82% of the total outlots.

Price

M2: Best BP1's met irregular demand with more interest from Kazak and CIS buyers but at easier rates than last week. The below best sold at firm rates with a few selling at their reserve prices. Estate BP1s traded steady to up 10-15 usc with demand driven by JFL, VKL and IMT following quality while plainer types remained irregularly firm. Foreign BP1s wobbled at steady to easier rates and were soaked up by mainly Kazakh & CIS buyers. It's important to note that Cofftea (Sudan) improved buying activity but was very selective on the teas purchased following quality. Flavory KTDA EoR and Rwanda PF1s traded irregularly steady to 2-4 usc up with good demand from Pakistan packers, Bazaar, Egyptian, CIS & UK for the fresh teas. KTDA WoR PF1s remained firm at reserve prices with most of the teas remaining unsold as there was no demand for these teas. Estate PF1s eased by 5-10 usc following quality with some lots attracting low or no bids and ended up as outlots. Demand for these types was selective from UK, Russia, Pakistan packers & Egyptian buyers.

M1: This auction met improved demand this week which closely followed quality, Best Rwanda PDs traded firm to 5 usc easier. KTDA EoR PDs & D1s traded at last week's levels. Yemen buyers continued active on them assisted by Pakistan packers. WoR PD & D1s received improved demand driven by Pakistan packers (GTC & CKL), Yemen, Egyptian and UK buyers were firm at reserve prices to slightly dearer. Best Estate and Mediums PDs replicated same trend as last week where better and neat black sorts were well sort after by Yemen and Egyptian buyers. These managed to hold firm to slightly dearer. Balance medium types were soaked up by Egypt buyers at steady to easier rates with UK lending some support.

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The top ten Buyers in sale 24 of 2023 are as per below: -

Status	Sold				
Sale No	24				
Buyer	BP1	DUST1	PD	PF1	Total
Chai Trading Limited	1,080	360	1,920	13,240	16,600
James Finley Mombasa	1,800	240	10,800	2,440	15,280
Cargill Kenya Limited	1,000	440	7,880	4,800	14,120
Global Tea Commodities	2,160	1,160	4,400	5,600	13,320
LAB International		2,560	5,840	3,080	11,480
Mombasa Coffee Limited	160	1,880	3,800	240	6,080
Van Rees Kenya	2,480	160	880	2,320	5,840
Devchand Keshavji (K) ltd				5,480	5,480
MJ Clarke	200	680	2,920	600	4,400
Mizzaj Africa	320	320	3,480		4,120

The movement/Variance of the Top Ten Buyers in Sale 24 vs Sale 23 2023: -

Status	Sold		
Sum of Sold Packages	Sale No		
Buyer	24	23	Variance
Chai Trading Limited	16,600	15,440	1,160
James Finley Mombasa	15,280	15,480	(200)
Cargill Kenya Limited	14,120	29,680	(15,560)
Global Tea Commodities	13,320	13,980	(660)
LAB International	11,480	11,160	320
Mombasa Coffee Limited	6,080	7,720	(1,640)
Van Rees Kenya	5,840	4,280	1,560
Devchand Keshavji (K) ltd	5,480	4,720	760
MJ Clarke	4,400	3,000	1,400
Mizzaj Africa	4,120	4,440	(320)

Weather and Crop

Rainfall continued to be recorded over several parts of the East of Rift. Most parts of the Highlands West of the Rift Valley and the Lake Victoria Basin also continued to receive rainfall. Daytime (maximum) temperatures decreased over most parts while night-time (minimum) temperatures increased over some areas. Increase in crop harvest were reported on both sides but with reported hail damage in Nandi last week.

We Grow Tea



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Sub-Sector	Region	Mar-23	Mar-22	Var, Kgs	Var, %	Jan-Mar 2023	Jan-Mar 2022	Var, Kgs	Var, %
Plantations	West of Rift	14,408,593	19,775,075	-5,366,482	-27%	53,783,121	52,620,668	-1,162,453	2.21%
	East of Rift	594,543	1,472,167	-877,624	-60%	3,723,902	5,076,389	-1,352,487	-26.64%
Total		15,003,136	21,247,242	-6,244,106	-29%	57,507,022	57,697,057	-190,035	-0.33%
Smallholder	West of Rift	6,083,359	11,702,937	-5,619,578	-48%	24,518,690	33,716,324	-9,197,634	-27.28%
	East of Rift	9,402,298	13,525,983	-4,123,685	-33%	36,112,538	44,851,761	-8,739,243	-19.48%
Total		15,485,658	25,228,920	-9,743,262	-34%	60,631,229	78,568,105	-17,936,877	-22.83%
Smallholder & Plantations	West of Rift	20,491,952	31,478,012	-10,986,060	-35%	78,301,811	86,336,992	-8,035,161	-9.31%
	East of Rift	9,996,841	14,998,150	-5,001,309	-33%	39,836,440	49,928,170	-10,091,730	-20.21%
Totals		30,488,793	46,476,162	-15,987,369	-34%	118,138,251	136,263,162	-18,126,911	-13.30%

Upcoming Auction: Sale 25 of 2023

With the ongoing unavailability of dollars in Pakistan and Egypt there is a likelihood of subdued demand in the upcoming auctions coupled with unpredictable buyer buying patterns. The political turmoil in Sudan, the Russia-Ukraine war, and the increased auction offerings might negatively impact the demand and prices realized. For now, we recommend selling the teas at the best market price available due to the uncertainty in prices. It's important to note that Cofftea bought a few packages this week, hopefully they can increase their buying power in the upcoming auctions.

Sale No.	25	26
Fresh teas, PKgs	180,738	175,971
Reprinted teas, PKgs	78,238	79,640
	258,976	255,611
Fresh teas, Kgs	12,054,510	11,729,615
Reprinted teas, Kgs	5,321,268	5,373,375
	17,375,778	17,102,990

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