ATLAS TEA BROKERS LTD

Sec,1 M.Nyali,(off Links Shell Petro Station)
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13th July 2023

Market Summary for Sale 28 of 2023

There were 225, 853 packages on offer in the M1 & M2 categories this week which met fair demand at generally irregular rates. There was a significant improvement in absorption (108,639 pkgs outlots vs 126,500 pkgs in Sale 27) while the average hammer price was up by 10 usc at USD 2.01 per kg.

The percentage sold was 52% in Sale 28 versus 43% in Sale 27 with 117,214 pkgs being sold in Sale 28 vs 94,260 pkgs sold in Sale 27.
A huge percentage of the unsold teas were teas of Kenya Origin, primarily KTDA reprints and fresh offers (mostly from KTDA West of Rift) with 49% of the teas offered remaining unsold with the absence of Cargill Kenya Limited in the auction for the fourth week significantly impacting absorption and realized prices across all the grades. In sale 28 KTDA outlots reduced by 10% to 96,040 pkgs which represents 88% of the total outlots.

Sale 28 Absorption across all the Countries: -

Sale No	28				
Country	Sold	Outlots	Total	% Sold	% Outlots
Burundi	124,225	17,212	141,437	88%	12%
Kenya	5,993,067	7,196,743	13,189,809	45%	55%
Rwanda	670,080	72,936	743,016	90%	10%
Tanzania	115,998	51,888	167,886	69%	31%
Uganda	1,144,534	118,253	1,262,787	91%	9%
Total, Kgs	8,047,904	7,457,032	15,504,935	52%	48%

Sold teas in Sale 28 vs Sale 27 per grade: -

Status	Sold			
Packages	Sale No			
Grade	28	27	Variance	% Variance
BP1	16,039	13,760	2,279	17%
DUST1	10,759	6,920	3,839	55%
PD	37,200	30,260	6,940	23%
PF1	53,216	43,320	9,896	23%
Total	117,214	94,260	22,954	24%

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Outlots in Sale 28 vs Sale 27 per grade: -

Status	Outlots			
Packages	Sale No			
Grade	28	27	Variance	% Variance
BP1	25,799	29,680	-3,881	-13%
DUST1	9,760	11,360	-1,600	-14%
PD	23,300	23,680	-380	-2%
PF1	49,780	61,780	-12,000	-19%
Total	108,639	126,500	-17,861	-14%

Price

Auction Average Price Movement Sale 28 vs Sale 27

Sale Price($)			
Grade	(All)		
	Sale No		
Country	28	27	Variance
Burundi	1.77	1.86	- 0.09
Kenya	2.21	2.12	0.08
Rwanda	2.49	2.42	0.07
Tanzania	0.95	0.93	0.02
Uganda	0.97	0.96	0.01
Average	2.01	1.91	0.10

Auction Average Price Movement Per grade across all the Countries in Sale 28 vs Sale 27

Sale Price($)			
Grade	BP1		
	Sale No		
Country	28	27	Variance
Burundi	1.54	1.61	(0.07)
Kenya	1.65	1.78	(0.12)
Rwanda	2.04	1.92	0.11
Tanzania	0.72	0.63	0.09
Uganda	0.76	0.78	(0.02)
Average	1.49	1.48	0.01

Sale Price($)			
Grade	PF1		
	Sale No		
Country	28	27	Variance
Burundi	2.04	2.04	
Kenya	2.25	2.15	0.09
Rwanda	2.64	2.62	0.01
Tanzania	0.98	1.04	(0.05)
Uganda	0.96	0.96	
Average	2.08	1.97	0.11

Sale Price($)			
Grade	PD		
	Sale No		
Country	28	27	Variance
Burundi	2.01	2.06	(0.05)
Kenya	2.25	2.13	0.11
Rwanda	2.84	2.84	
Tanzania	1.04	1.04	0.01
Uganda	1.09	1.05	0.05
Average	2.10	1.99	0.11

Sale Price($)			
Grade	DUST1		
	Sale No		
Country	28	27	Variance
Burundi	2.10	2.11	(0.01)
Kenya	2.41	2.29	0.12
Rwanda	2.65	2.69	(0.04)
Tanzania	1.02		
Uganda	1.07	1.12	(0.05)
Average	2.09	2.00	0.09

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M2: BP1s met steady demand with maintained interest from Kazak and CIS buyers. The below best sold at irregularly firm rates with most selling at their reserve prices. Plainer BP1's were irregularly steady to easier levels following quality and received support and interest from Pakistan, South Sudan and local packers with most of the bids being below 1 usd/kg. Flavoury foreign BP1's were about firm for the fresher lots while older reprints were bought at easier rates by the CIS buyers.

KTDA EoR PF1's opened at firm to dearer rates, with the higher marks selling at dearer rates than last week while the balance marks sold at their reserved prices with support from Pakistan packers, Bazaar, Afghan, CIS, UK and Yemen buyers. WoR PF1's continue to be a disappointment receiving very little interest from the remaining buyers with the main buyer for these teas having stayed out for the 4th consecutive week. Plantation types were irregularly steady to slightly easier and were well supported by Pakistan, Afghan, UK, Egypt and CIS buyers. Plainer types sold at irregularly easier levels. They got steady enquiry from Pakistan, UK and CIS. Rwanda and Burundi PF1 teas sold firm to dearer rates following quality receiving support from UK, Pakistan, CIS and Egyptian buyers

M1: This auction met fair general demand this week with prices remaining irregularly steady. Best EoR PD were irregularly steady to easier while below best mainly remained firm at the usual reserve prices. These mainly supported by Yemen, Pakistan packers Afghan and UK. There was reduced inquiry on the D1 counterparts, and they traded at steady to easier rates. WoR types continued to suffer due to absence of CKL. Lower types traded at steady to easier rates going to Egypt and Pakistan packers active with UK selective on the certified sorts. Plainer sorts were steady to easier with a few better-quality lots firm on account of Egypt. These went to Pakistan, CIS and UK.

The top ten Buyers in sale 28 of 2023 are as per below: -

Sale No	28				
Status	Sold				
Sold Packages	Grade				
Buyer	BP1	DUST1	PD	PF1	Grand Total
Global Tea Commodities	1,760	2,320	6,040	7,760	17,880
Chai Trading Limited	1,680	560	1,920	9,420	13,580
James Finley Mombasa	2,560	80	7,920	2,880	13,440
LAB International	1,200	2,720	5,600	3,000	12,520
SSOE Kenya Limited	2,399	1,039	1,600	7,040	12,078
Devchand Keshavji (K) ltd		200	200	8,480	8,880
Mombasa Coffee Limited	160	1,440	3,880	240	5,720
Mizaj Africa Limited		360	4,120	960	5,440
Abbas Tea Limited	120	120	800	2,280	3,320
Van Rees Kenya	1,320	80	720	1,120	3,240

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The movement/Variance of the Top Ten Buyers in Sale 28 vs Sale 27 2023: -

Status	Sold		
Grade	(All)		
Sum of Sold Packages	Sale No		
Buyer	28	27	Variance
Global Tea Commodities	17,880	3,600	14280
Chai Trading Limited	13,580	14,320	-740
James Finley Mombasa	13,440	16,340	-2900
LAB International	12,520	10,760	1760
SSOE Kenya Limited	12,078	7,640	4438
Devchand Keshavji (K) ltd	8,880	5,440	3440
Mombasa Coffee Limited	5,720	5,720	
Mizaj Africa Limited	5,440	5,160	280
Abbas Tea Limited	3,320	1,760	1560
Van Rees Kenya	3,240	4,240	-1000

Weather and Crop

Weather conditions in the tea growing areas are less conducive to growing tea. Rainfall has been recorded in some parts of both sides of the Rift Valley. Mornings were cloudy, with light rains over a few places, giving way to sunny intervals. Afternoon showers were experienced over a few places. Nights were partly cloudy. Both daytime (maximum) temperature and night-time (minimum) temperatures decreased over most parts. Crop harvest remain stable or decreased marginally.

The April 2023 Crop figures were released and production increased significantly by 8.16 M Kgs to 49.49 M kgs vs 41.33 M kgs same month in 2022. Production for the first four months of 2023 was lower by 9.38 M kgs to stand at 167.62 M kgs against 177 M kgs recorded during the same period in 2022.

Sub-Sector	Region	Apr-23	Apr-22	Var, Kgs	Var, %	Jan-April 2023	Jan-April 2022	Var, Kgs	Var, %
Plantations	West of Rift	21,406,601	16,821,998	4,584,603	27.25%	75,189,722	68,844,934	6,344,788	9.22%
	East of Rift	1,520,261	1,227,971	292,290	23.80%	5,313,027	6,304,360	-991,333	-15.72%
Total		22,926,862	18,049,969	4,876,893	27.02%	80,502,748	75,149,293	5,353,455	7.12%
Smallholder	West of Rift	11,343,575	11,702,937	-5,619,578	13.18%	35,862,266	43,739,359	-7,877,094	-18.01%
	East of Rift	15,220,954	13,525,983	-4,123,685	14.78%	51,264,629	58,112,731	-6,848,105	-11.78%
Total		26,564,529	25,228,920	-9,743,262	14.09%	87,126,894	101,852,090	-14,725,196	-14.46%
Smallholder & Plantations	West of Rift	32,750,176	31,478,012	-10,986,060	22.00%	111,051,987	112,584,293	-1,532,305	-1.36%
	East of Rift	16,741,215	14,998,150	-5,001,309	15.54%	56,577,655	64,417,091	-7,839,436	-12.17%
Totals		49,491,391	46,476,162	-15,987,369	19.74%	167,629,642	177,001,384	-9,371,741	-5.29%

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Upcoming Auction: Sale 29 of 2023

With the ongoing unavailability of dollars in Pakistan and Egypt, ongoing war in Sudan and with Cargill Kenya Limited being out for the last four auctions, the huge volume of reprinted teas there is a likelihood of continued subdued demand in the upcoming auctions coupled with unpredictable buyer buying patterns might negatively impact the demand and prices realized. There was a significant reduction in the allocation of fresh teas in Sale 30/2023 especially from KTDA. For now, we recommend selling the teas at the best market price available due to the uncertainty in prices.

Sale No.	29	30
Fresh teas, PKgs	150,081	120,505
Reprinted teas, PKgs	111,114	128,563
Total	261,195	249,068
Fresh teas, Kgs	10,033,601	7,978,980
Reprinted teas,Kgs	7,449,219	8,674,649
Total	17,482,820	16,653,629

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