ATLAS TEA BROKERS LTD

Sec,1 M.Nyali,(off Links Shell Petro Station)
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5th July 2023

Market Summary for Sale 27 of 2023

There were 220, 760 packages on offer in the M1 & M2 categories this week which met significantly reduced demand at generally irregular rates. There was a significant reduction in absorption (128,620 pkgs outlots vs 108,520 pkgs in Sale 26) while the average hammer price was easier by 10 usc at USD 1.91 per kg with the average price being below 2 usd/kg for the first time since the introduction of the KTDA minimum reserve prices.

The percentage sold was 42% in Sale 27 versus 51% in Sale 26 with 92,140 pkgs being sold in Sale 27 vs 113,960 pkgs sold in Sale 26.
A huge percentage of the unsold teas were teas of Kenya Origin, primarily KTDA reprints and fresh offers (both West and East of Rift KTDA) with 64% of the teas offered remaining unsold with the absence of Cargill Kenya Limited in the auction for the third week, reduced and selective buying by Global Teas and Commodities significantly impacting absorption and realized prices across all the grades. In sale 27 KTDA outlots increased by 24% to move to 106,640 pkgs which represents 83% of the total outlots.

Sale 27 Absorption across all the Countries: -

Sale No	27				
Country	Sold	Outlots	Total	% Sold	% Outlots
Burundi	116,102	26,240	142,342	82%	18%
Kenya	4,602,683	8,266,090	12,868,773	36%	64%
Rwanda	461,608	174,580	636,188	73%	27%
Tanzania	85,080	7,400	92,480	92%	8%
Uganda	1,026,682	310,579	1,337,261	77%	23%
Total, Kgs	6,292,155	8,784,889	15,077,044	42%	58%

Sold teas in Sale 27 vs Sale 26 per grade: -

Status	Sold			
Packages	Sale No			
Grade	27	26	Variance	% Variance
BP1	13,320	12,120	1,200	10%
DUST1	6,880	12,080	-5,200	-43%
PD	29,900	42,360	-12,460	-29%
PF1	42,040	48,560	-6,520	-13%
Total	92,140	115,120	-22,980	-20%

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Outlots in Sale 27 vs Sale 26 per grade: -

Status	Outlots			
Packages	Sale No			
Grade	27	26	Variance	% Variance
BP1	30,120	25,380	4,740	19%
DUST1	11,400	10,480	920	9%
PD	24,040	17,500	6,540	37%
PF1	63,060	55,280	7,780	14%
Grand Total	128,620	108,640	19,980	18%

Price

Auction Average Price Movement Sale 27 vs Sale 26

Sale Price($)			
Grade	(All)		
	Sale No		
Country	27	26	Variance
Burundi	1.86	1.98	- 0.12
Kenya	2.13	2.19	- 0.06
Rwanda	2.46	2.45	0.01
Tanzania	0.93	1.00	- 0.06
Uganda	0.96	1.09	- 0.13
Average	1.91	2.01	- 0.09

Auction Average Price Movement Per grade across all the Countries in Sale 27 vs Sale 26

Sale Price($)			
Grade	BP1		
	Sale No		
Country	27	26	Variance
Burundi	1.61	1.75	(0.14)
Kenya	1.78	1.90	(0.12)
Rwanda	1.96	2.00	(0.03)
Tanzania	0.63	0.74	(0.11)
Uganda	0.78	0.81	(0.04)
Average	1.49	1.61	(0.13)

Sale Price($)			
Grade	PF1		
	Sale No		
Country	27	26	Variance
Burundi	2.04	2.03	0.01
Kenya	2.16	2.21	(0.05)
Rwanda	2.64	2.58	0.06
Tanzania	1.04	0.91	0.13
Uganda	0.95	1.10	(0.14)
Average	1.97	2.09	(0.12)

Sale Price($)			
Grade	PD		
	Sale No		
Country	27	26	Variance
Burundi	2.06	2.11	(0.05)
Kenya	2.14	2.15	(0.02)
Rwanda	2.84	2.81	0.04
Tanzania	1.04	1.10	(0.07)
Uganda	1.06	1.16	(0.11)
Average	1.99	2.00	(0.01)

Sale Price($)			
Grade	DUST1		
	Sale No		
Country	27	26	Variance
Burundi	2.11	2.10	0.01
Kenya	2.28	2.41	(0.13)
Rwanda	2.69	2.61	0.08
Tanzania		1.16	
Uganda	1.13	1.22	(0.09)
Average	2.00	2.09	(0.08)

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M2: Generally BP1s eased by 5-10 usc this week. Flavory KTDA EoR and Rwanda BP1s traded irregularly firm to 4cts easier. Below best BP1s traded firm, while KTDA WoR BP1s traded firm but at reserve prices with most of them taken out as outlots as there were no bids. Mediums traded irregularly firm, where sold while plainer types also traded firm. There was good but selected interest from Kazak and CIS buyers while Sudan and Iran remained absent. Better medium BP1's were neglected and taken out as outlots as there were no bids/no demand. Plainer BP1's sold at very low levels and received support and interest from South Sudan and local packers with most of the bids being below 1 usd/kg.

Flavory KTDA EoR and Rwanda PF1s traded irregularly firm to 4cts dearer while below best traded irregularly firm. KTDA WoR PF1s traded firm at the reserve prices with only a few selected marks selling. Kenya Estate Best and Medium PF1s traded easier 5-20 usc. Plainer types eased further by 5-15 usc. Overall most PF1s received very low bids and in some instances no bids at all and with most of the teas remaining unsold. There was reduced demand from Pakistan packers, Bazaar, UK and Afghan and Bazar.

M1: This auction met good demand especially better quality leaf types. Best PDs traded irregularly firm to 3cts dearer, below best irregularly firm while good mediums traded irregularly steady at reserve prices. Medium PDs, quality types remained firm while the remainder traded irregular and up to 12cts easier. Plainer PDs traded irregularly steady to easier.
Best Rwanda PDs traded firm to 5 usc dearer. KTDA EoR PD/D1 continued to attract steady demand with support from Yemen buyers assisted by Egyptian and UK buyers. There was reduced absorption on this segment as well as reduced activity on WoR PD/D1s since CKL and GTC were out. There was improved enquiry on the better Medium PD/D1's which sold at were irregularly firm to easier rates. They were mainly supported by Egypt, UK and Yemen buyers selectively following quality.

The top ten Buyers in sale 27 of 2023 are as per below: -

Sale No	27				
Status	Sold				
Sold Packages	Grade				
Buyer	BP1	DUST1	PD	PF1	Total
James Finley Mombasa	2,640	200	6,780	5,880	15,500
Chai Trading Limited	2,040	320	2,000	9,840	14,200
LAB International		2,520	6,040	2,160	10,720
SSOE Kenya Limited	1,560	360	560	4,840	7,320
Mombasa Coffee Limited	160	1,560	3,760	240	5,720
Devchand Keshavji (K) ltd				5,440	5,440
Mizaj Africa Limited		520	4,080	560	5,160
MJ Clarke Limited		800	2,560	1,040	4,400
Van Rees Kenya	680	160	1,600	1,800	4,240
Global Tea Commodities	1,200	40	720	1,640	3,600

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The movement/Variance of the Top Ten Buyers in Sale 27 vs Sale 26 2023: -

Status	Sold		
Grade	(All)		
Sold Packages	Sale No		
Buyer	27	26	Variance
James Finley Mombasa	15,500	13,060	2,440
Chai Trading Limited	14,200	14,760	-560
LAB International	10,720	12,800	-2,080
SSOE Kenya Limited	7,320	6,080	1,240
Mombasa Coffee Limited	5,720	5,920	-200
Devchand Keshavji (K) ltd	5,440	6,960	-1,520
Mizaj Africa Limited	5,160	4,500	660
MJ Clarke Limited	4,400	5,960	-1,560
Van Rees Kenya	4,240	4,040	200
Global Tea Commodities	3,600	17,600	-14,000

Weather and Crop

Weather conditions in the tea growing areas are less conducive to growing tea. Temperatures appear to be too low with slightly above 20 degrees during the day but a little above 10 degrees during the night. There is still regular rainfall. Crop harvest is maintained at season's level.

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		36,112,538	44,851,761	-8,739,243	-19.48%
Total		15,485,658	25,228,920	-9,743,262		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 28 of 2023

With the ongoing unavailability of dollars in Pakistan and Egypt, ongoing war in Sudan and the huge volume of reprinted teas there is a likelihood of continued subdued demand in the upcoming auctions coupled with unpredictable buyer buying patterns and the increased auction offerings might negatively impact the demand and prices realized. Cargill Kenya Limited is expected to resume buying in Sale 28/2023. For now, we recommend selling the teas at the best market price available due to the uncertainty in prices.

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Sale No.	28	29
Fresh teas, PKgs	152,591	150,081
Reprinted teas, PKgs	100,980	111,114
Total	253,571	261,195
Fresh teas, Kgs	10,148,520	10,033,601
Reprinted teas,Kgs	6,823,907	7,449,219
Total	16,972,427	17,482,820

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