



29th June 2023

Market Summary for Sale 26 of 2023

There were 222, 480 packages on offer in the M1 & M2 categories this week which met significantly reduced demand although some segments sold at firm to dearer rates. There was a significant reduction in absorption (109,160 pkgs outlots vs 99,580 pkgs in Sale 25) while the average hammer price was easier by 5 usc at USD 2.02 per kg.

The percentage sold was 51% in Sale 26 versus 55% in Sale 25 with 109,160 pkgs remaining as outlots. A huge percentage of the unsold teas were primarily KTDA reprints and fresh offers, as well teas from across all the producers, across all the countries and across all grades but with BP1 and PF1 teas being most affected. Cargill Kenya Limited was out for the second week due to the ongoing transition in Ekaterra Plc. In sale 26 KTDA outlots were 86,160 pkgs which represents 79% of the total outlots.

Sale 26 Absorption across all the Countries: -

Status	Sold				
Sale No	26				
Country	Sold	Outlots	Total	% Sold	% Outlots
Burundi	1,400	560	1,960	71%	29%
Kenya	83,840	101,240	185,080	45%	55%
Rwanda	8,800	2,320	11,120	79%	21%
Tanzania	3,280	240	3,520	93%	7%
Uganda	16,000	4,800	20,800	77%	23%
Grand Total	<u>113,320</u>	<u>109,160</u>	<u>222,480</u>	<u>51%</u>	<u>49%</u>

Sold teas in Sale 26 vs Sale 25 per country: -

Status	Sold			
Packages	Sale No			
Grade	26	25	Variance	% Variance
BP1	11,840	15,560	-3,720	-24%
DUST1	11,520	10,598	922	9%
PD	41,600	41,080	520	1%
PF1	48,360	55,238	-6,878	-12%
Grand Total	<u>113,320</u>	<u>122,476</u>	<u>-9,156</u>	<u>-7%</u>

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Outlots in Sale 26 vs Sale 25 per country: -

Status	Outlots			
Packages	Sale No			
Grade	26	25	Variance	% Variance
BP1	25,660	23,280	2,380	10%
DUST1	10,480	9,280	1,200	13%
PD	17,540	22,180	-4,640	-21%
PF1	55,480	44,840	10,640	24%
Grand Total	109,160	99,580	9,580	10%

Price

Auction Average Price Movement Sale 26 vs Sale 25

Sale Price(\$)			
Grade	(All)		
	Sale No		
Country	26	25	Variance
Burundi	1.98	1.84	0.14
Kenya	2.19	2.22	- 0.03
Rwanda	2.46	2.42	0.04
Tanzania	0.96	1.00	- 0.04
Uganda	1.09	1.14	- 0.04
Average	2.02	2.07	- 0.05

Auction Average Price Movement Per grade across all the Countries in Sale 26 vs Sale 25

Sale Price(\$)				Sale Price(\$)				Sale Price(\$)				Sale Price(\$)			
Grade	BP1			Grade	PF1			Grade	PD			Grade	DUST1		
	Sale No				Sale No				Sale No				Sale No		
Country	26	25	Variance	Country	26	25	Variance	Country	26	25	Variance	Country	26	25	Variance
Burundi	1.75	1.73	0.02	Burundi	2.03	1.94	0.09	Burundi	2.11	1.93	0.18	Burundi	2.10	1.44	0.66
Kenya	1.91	1.95	(0.04)	Kenya	2.21	2.28	(0.07)	Kenya	2.16	2.19	(0.03)	Kenya	2.41	2.37	0.05
Rwanda	1.98	2.04	(0.06)	Rwanda	2.58	2.58	(0.00)	Rwanda	2.81	2.78	0.03	Rwanda	2.61	2.60	0.01
Tanzania	0.74	0.78	(0.04)	Tanzania	0.91	0.97	(0.06)	Tanzania	1.11	1.11	0.00	Tanzania	1.16	1.12	0.04
Uganda	0.81	0.96	(0.15)	Uganda	1.10	1.15	(0.06)	Uganda	1.16	1.15	0.01	Uganda	1.22	1.22	(0.01)
Average	1.61	1.80	(0.19)	Average	2.09	2.16	(0.07)	Average	2.02	2.03	(0.01)	Average	2.13	2.08	0.04

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M2: Flavoury KTDA EoR and Rwanda BP1's met reduced demand with good interest from Kazak and CIS buyers. They sold at firm to slightly easier rates with some selected Garden marks selling at dearer rates. The below best sold at irregularly firm rates with most selling at their reserve prices 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.

KTDA EoR and Rwanda PF1's sold at firm rates with a few better marks appreciating by up to 5usc. There was reduced demand from Pakistan packers, Bazaar, UK and Afghan and Bazar. WoR PF1 sold at their reserved prices and majority being neglected due to no demand. Estate PF1s sold easier 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 irregular demand at easier rates than last week which closely followed quality, Auction was strong with better prices and absorption at the start but demand, absorption and prices dipped as the auction progressed, ending with most teas attracting low or no bids with most of the teas being taken out as outlots.

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 Pakistan packers, UK and CIS. Better types were firm with below best types steady to slightly easier. However, there was good absorption on this segment. There was reduced activity on WoR PD/D1s where CKL was 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 with Pakistan packers operating selectively following quality.

The top ten Buyers in sale 26 of 2023 are as per below: -

Sale No	26				
Status	Sold				
Sold Packages	Grade				
Buyer	BP1	DUST1	PD	PF1	Grand Total
Global Tea Commodities	2,160	1,920	5,640	7,840	17,560
Chai Trading Limited	1,280	200	3,360	9,920	14,760
James Finley Mombasa	960	440	7,660	3,800	12,860
LAB International	80	3,400	5,880	3,120	12,480
Devchand Keshavji (K) ltd	440	120	320	6,040	6,920
SSOE Kenya Limited	1,000	320	1,120	3,600	6,040
Mombasa Coffee Limited	160	1,960	3,560	240	5,920
MJ Clarke Limited		680	4,520	520	5,720
Mizaj Africa		320	3,980	200	4,500
Van Rees Kenya	840	280	1,280	1,480	3,880

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The movement/Variance of the Top Ten Buyers in Sale 26 vs Sale 25 2023: -

Status	Sold		
Grade	(All)		
Sold Packages	Sale No		
Buyer	26	25	Variance
Global Tea Commodities	17,560	16,880	680
Chai Trading Limited	14,760	16,400	-1,640
James Finley Mombasa	12,860	16,160	-3,300
LAB International	12,480	15,758	-3,278
Devchand Keshavji (K) ltd	6,920	10,080	-3,160
SSOE Kenya Limited	6,040	4,680	1,360
Mombasa Coffee Limited	5,920	6,400	-480
MJ Clarke Limited	5,720	4,120	1,600
Mizaj Africa	4,500	2,560	1,940
Van Rees Kenya	3,880	5,640	-1,760

Weather and Crop

Rainfall continued to be recorded over most parts of the country. Mornings were cloudy, with light rains over a few places, giving way to sunny intervals. Occasional afternoon and night showers were experienced over a few places. 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 27 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 27/2023. 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.	27	28
Fresh teas, PKgs	152,738	152,591
Reprinted teas, PKgs	93,900	100,980
	246,638	253,571
Fresh teas, Kgs	10,113,488	10,148,520
Reprinted teas,Kgs	5,373,375	6,823,907
	15,486,863	16,972,427

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