ATLAS TEA BROKERS LTD

Sec,1 M.Nyali,(off Links Shell Petro Station)
P.O. Box 3445-80100 Mombasa
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2nd August 2023

Market Summary for Sale 31 of 2023

There were 188,520 packages on offer in the M1 & M2 categories this week which met reduced demand at generally irregular rates. There was a slight decrease in absorption (57% vs 59% in Sale 30) while the average hammer price was up by 7 usc at USD 2.21 per kg.

The percentage sold was 57% in Sale 31 with 106,220 pkgs sold versus 59% in Sale 30 where 118,766 pkgs were sold.
A huge percentage of the unsold teas were teas of Kenya Origin, primarily KTDA reprints and fresh offers (mostly from KTDA West of Rift and some Kenyan Estate teas) with 44% of the teas offered remaining unsold with the absence of Cargill Kenya Limited in the auction for the seventh week significantly impacting absorption and realized prices across all the grades. In sale 31 KTDA outlots stood at 63,840 pkgs which represents 78% of the total outlots.

Sale 31 Absorption across all the Countries: -

Sale No	31				
Country	Sold	Outlots	Total	% Sold	% Outlots
Burundi	49,373	11,024	60,397	82%	18%
Kenya	5,827,778	5,193,638	11,021,416	53%	47%
Rwanda	550,900	139,408	690,308	80%	20%
Tanzania	79,300	40,724	120,024	66%	34%
Uganda	850,920	251,122	1,102,042	77%	23%
Total, Kgs	7,358,271	5,635,916	12,994,187	57%	43%

Sold teas in Sale 31 vs Sale 30 per grade: -

Status	Sold			
Kgs	Sale No			
Grade	31	30	Variance	% Variance
BP1	754,923	853,806	-98,883	-12%
DUST1	808,921	919,525	-110,604	-12%
PD	2,568,306	2,561,754	6,552	
PF1	3,226,121	3,839,116	-612,995	-16%
Total	7,358,271	8,174,201	-815,931	-10%

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Out lots in Sale 31 vs Sale 30 per grade: -

Status	Outlots			
Kgs	Sale No			
Grade	31	30	Variance	% Variance
BP1	1,237,141	1,254,116	-16,975	-1%
DUST1	596,620	514,642	81,978	16%
PD	1,449,051	1,382,326	66,725	5%
PF1	2,349,716	2,581,615	-231,899	-9%
Total	5,632,528	5,732,699	-100,171	-2%

Price

Auction Average Price Movement Sale 31 vs Sale 30

Sale Price($)			
Grade	(All)		
	Sale No		
Country	31	30	Variance
Burundi	1.99	1.93	0.06
Kenya	2.36	2.30	0.07
Rwanda	2.75	2.70	0.05
Tanzania	1.03	0.98	0.05
Uganda	1.07	1.10	- 0.02
Average	2.21	2.14	0.06

Auction Average Price Movement Per grade across all the Countries in Sale 31 vs Sale 30

Sale Price($)			
Grade	BP1		
	Sale No		
Country	31	30	Variance
Burundi	1.59	1.59	
Kenya	2.18	1.82	0.35
Rwanda	2.74	2.42	0.32
Tanzania	1.04	0.97	0.07
Uganda	1.16	1.07	0.09
Average	2.06	1.74	0.32

Sale Price($)			
Grade	PF1		
	Sale No		
Country	31	30	Variance
Burundi	2.03	2.03	
Kenya	2.47	2.38	0.09
Rwanda	2.74	2.74	
Tanzania	0.99	0.89	0.10
Uganda	1.08	1.11	(0.03)
Average	2.32	2.26	0.06

Sale Price($)			
Grade	PD		
	Sale No		
Country	31	30	Variance
Burundi	2.04	2.04	
Kenya	2.27	2.27	
Rwanda	2.76	2.89	(0.13)
Tanzania	1.09	1.06	0.03
Uganda	1.04	1.06	(0.02)
Average	2.12	2.10	0.02

Sale Price($)			
Grade	DUST1		
	Sale No		
Country	31	30	Variance
Burundi	2.08	2.13	(0.05)
Kenya	2.34	2.40	(0.07)
Rwanda	2.81	2.83	(0.02)
Tanzania	1.09	1.18	(0.10)
Uganda	1.02	1.17	(0.15)
Average	2.11	2.17	(0.06)

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M2: BP1s met good, improved and competitive demand at irregularly dearer rates with interest form Kazak, CIS, UK, Sudan, Pakistan & India. Flavory EoR BP1's and Flavory Rwanda BP1s met improved demand with good interest from Kazak and CIS buyers and they sold at firm to dearer rates. KTDA WoR BP1's sold selectively at the minimum reserve price. Below best followed a similar pattern. Better medium BP1's were dearer with rest tending irregular steady to easier following quality. Plainer BP1's sold at irregularly dearer levels following quality. They received steady interest from South Sudan and local packers selling dearer by 10-30 usc versus last week.

KTDA EoR PF1s attracted good demand but at lower levels last week but with some selected high end garden marks managed to gain up to 10 cts vs last week. Reduced demand came from Afghan, Bazar and Pakistan packers, supported by UK, Yemen & Egypt. KTDA WoR PF1s traded firm for the fresh teas while reprints continued to be neglected. Quality Medium PF1s traded firm to dearer while the remainder traded steady with some teas remaining unsold. Plainer invoices traded easier with some remaining unsold due to low or no bids.

M1: The auction met reduced demand at easier rates with low demand from key Egyptian and UK buyers. Best PDs and D1s traded firm to 10cts easier, below best irregularly firm, good medium irregularly steady, while plainer types easier by 5-10 usc.
KTDA EoR and Rwanda PD/D1 met reduced and selective demand with most of the teas selling easier by 5-15 usc with support from Yemen, Pakistan packers, UK and Egypt. WoR types continued to suffer due to absence of CKL.

The top ten Buyers in sale 31 of 2023 are as per below: -

Sale No	31				
Status	Sold				
Sold Packages	Grade				
Buyer	BP1	DUST1	PD	PF1	Total
SSOE Kenya Limited	2,080	960	6,600	8,120	17,760
Chai Trading Limited	1,880	800	2,440	9,560	14,680
Global Tea & Commodities Limited	1,080	1,680	3,120	6,120	12,000
LAB International	160	2,460	5,800	2,480	10,900
Devchand Keshavji (K) ltd	40		120	8,320	8,480
Mombasa Coffee Limited	160	2,000	3,440		5,600
James Finley Mombasa	720	40	4,040	560	5,360
Mizaj Africa Limited	160	160	3,220		3,540
Alibhai Ramji (Msa) Ltd	40	240	360	2,840	3,480
Cofftea Agencies Limited	2,120		120	640	2,880

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The movement/Variance of the Top Ten Buyers in Sale 31 vs Sale 30 2023: -

Status	Sold		
Grade	(All)		
Sold Packages	Sale No		
Buyer	31	30	Variance
SSOE Kenya Limited	17760	14280	3480
Chai Trading Limited	14680	19100	-4420
Global Tea & Commodities Limited	12000	16680	-4680
LAB International	10900	11100	-200
Devchand Keshavji (K) ltd	8480	8400	80
Mombasa Coffee Limited	5600	7720	-2120
James Finley Mombasa	5360	7720	-2360
Mizaj Africa Limited	3540	2320	1220
Alibhai Ramji (Msa) Ltd	3480	2040	1440
Cofftea Agencies Limited	2880	160	2720

Weather and Crop

Weather conditions in the tea growing areas remain normal for the time of the year. Some parts of both tea growing areas received some light rains interspersed by sunny spells while day and nighttime temperatures slightly increased. Crop intake remains at season’s level.

The May 2023 Crop figures were released and production increased significantly by 7.63 M Kgs to 57.88 M kgs vs 50.25 M kgs same month in 2022. Production for the Month of May 2023 was higher by 8.39 M Kgs compared with 49.49 M Kgs for the Month of April 2023. Production for the first five months of 2023 was lower by 2.34 M kgs to stand at 225.51 M kgs against 227.85 M kgs recorded during the same period in 2022.

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Sub-Sector	Region	May-23	May-22	Var, Kgs	Var, %	Jan-May 2023	Jan-May 2022	Var, Kgs	Var, %
Plantations	West of Rift	26,305,420	20,899,654	5,405,766	25.87%	101,495,141	90,342,320	8,064,791	9.22%
	East of Rift	2,452,671	1,560,024	892,648	57.22%	7,765,698	7,864,383	5,325,735	-15.72%
Total		28,758,091	22,459,677	6,298,413	28.04%	109,260,839	98,206,703	5,353,455	7.12%
Smallholder	West of Rift	11,727,482	11,915,179	-187,697	-1.58%	47,589,747	55,654,538	-7,877,094	-18.01%
	East of Rift	17,400,337	15,877,969	1,522,368	9.59%	68,664,966	73,990,700	-6,848,105	-11.78%
Total		29,127,819	27,793,148	1,334,671	4.80%	116,254,713	129,645,238	-14,725,196	-14.46%
Smallholder & Plantations	West of Rift	38,032,901	32,814,833	5,218,069	15.90%	149,084,889	145,996,858	-1,532,305	-1.36%
	East of Rift	19,853,008	17,437,993	2,415,016	13.85%	76,430,663	81,855,083	-7,839,436	-12.17%
Totals		57,885,909	50,252,825	7,633,084	15.19%	225,515,552	227,851,941	-9,371,741	-5.29%

Upcoming Auction: Sale 32 of 2023

The upcoming sale 32 of 2023 has a low closing figure which could provide impetus for a stronger market across all categories and from the majority of the buyers. Pakistan is headed towards their high tea consumption season and with tea buyers being supported by some banks which started to issue Letters of credit (LCs) again. The return of most BP1 buyers in the last two weeks is expected to continue in the upcoming sale with demand driven by CIS, Kazak, Sudan, Pakistan and India buyers driving up prices and improving absorption. Demand is expected to continue being strong with reduced tea production during this season which could result in increased competition for the available teas on offer. Concern is only on Egyptian and UK Buyers who slowed their buying this week.

Sale No.	33	32
Fresh teas, PKgs	143,242	137,346
Reprinted teas, PKgs	81,738	81,678
Total	224,980	219,024
Fresh teas, Kgs	9,597,609	9,226,033
Reprinted teas,Kgs	5,523,213	5,477,969
Total	15,120,822	14,704,002

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