ATLAS TEA BROKERS LTD
Sec,1 M.Nyali,(off Links Shell Petro Station)
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23rd August 2023

Market Summary for Sale 34 of 2023

There were 197,854 packages on offer in the M1 & M2 categories this week which met reduced demand at generally irregular to easier rates than last week. There was a significant decrease in absorption (57% vs 66% in Sale 33) while the average hammer price was firm at USD 1.93 per kg.

The percentage sold was 57% in Sale 34 with 112,557 pkgs sold versus 66% in Sale 33 where 134,900 pkgs were sold.
A huge percentage of the unsold teas were teas of Uganda and Kenya Origin, primarily KTDA reprints and fresh offers (mostly from KTDA West of Rift across all the grades, KTDA East of Rift BP1s and some Kenyan Estate teas). In Sale 34 Unsold/outlot teas stood at 43%, 5,833,922 Kgs which is an increase by 25% versus Sale 33. KTDA outlots in Sale 34 stood at 74% (4,334,250 Kgs) which was an increase by 17.32% versus Sale 33.

Sale 34 Absorption across all the Countries: -

Sale No	34				
Country	Sold	Outlots	Total	% Sold	% Outlots
Burundi	45,212	11,104	56,316	80%	20%
Kenya	6,354,481	5,369,910	11,724,390	54%	46%
Rwanda	490,628	87,785	578,413	85%	15%
Tanzania	55,072	54,808	109,880	50%	50%
Uganda	899,004	310,315	1,209,319	74%	26%
Total, Kgs	7,844,397	5,833,922	13,678,318	57%	43%

Sold teas in Sale 34 vs Sale 33 per grade: -

Status	Sold			
Kgs	Sale No			
Grade	34	33	Variance	% Variance
BP1	572,164	730,581	-158,417	-22%
DUST1	866,401	957,922	-91,521	-10%
PD	2,813,884	3,324,050	-510,166	-15%
PF1	3,591,948	4,351,101	-759,153	-17%
Total	7,844,397	9,363,653	-1,519,257	-16%

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Out lots in Sale 34 vs Sale 33 per grade: -

Status	Outlots			
Kgs	Sale No			
Grade	34	33	Variance	% Variance
BP1	1,343,278	1,171,723	171,555	15%
DUST1	522,327	477,688	44,639	9%
PD	1,646,651	1,261,762	384,890	31%
PF1	2,321,665	1,758,042	563,623	32%
Total	5,833,922	4,669,215	1,164,707	25%

Price

Auction Average Price Movement Sale 34 vs Sale 33

Sale Price($)			
Grade	(All)		
	Sale No		
Country	34	33	Variance
Burundi	2.15	2.09	0.06
Kenya	2.40	2.44	- 0.05
Rwanda	3.10	3.08	0.02
Tanzania	1.01	1.00	0.01
Uganda	0.99	1.03	- 0.05
Average	1.93	1.93	0.00

Auction Average Price Movement Per grade across all the Countries in Sale 34 vs Sale 33

Sale Price($)			
Grade	BP1		
	Sale No		
Country	34	33	Variance
Burundi	2.47		
Kenya	2.25	2.17	0.08
Rwanda	3.92	3.72	0.19
Tanzania	1.07	1.01	0.06
Uganda	1.15	1.15	
Average	2.10	2.01	0.08

Sale Price($)			
Grade	PF1		
	Sale No		
Country	34	33	Variance
Burundi	2.09	2.06	0.03
Kenya	2.51	2.57	(0.06)
Rwanda	2.92	2.82	0.10
Tanzania	1.02	1.01	
Uganda	1.00	1.06	(0.07)
Average	1.91	1.91	0.00

Sale Price($)			
Grade	PD		
	Sale No		
Country	34	33	Variance
Burundi	2.06	2.05	0.01
Kenya	2.27	2.34	(0.07)
Rwanda	2.94	2.95	(0.01)
Tanzania	0.94	0.95	(0.01)
Uganda	0.92	0.99	(0.07)
Average	1.83	1.86	(0.03)

Sale Price($)			
Grade	DUST1		
	Sale No		
Country	34	33	Variance
Burundi	2.20	2.28	(0.08)
Kenya	2.38	2.36	0.03
Rwanda	2.88	3.00	(0.12)
Tanzania	1.00	1.07	(0.07)
Uganda	1.00	0.99	0.01
Average	1.89	1.94	(0.05)

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M2: BP1s met improved but slightly reduced competition vs Sale 33, there was highly selective demand following quality. Flavory EoR BP1s and Rwanda BP1s sold at irregularly firm to easier rates with interest form Kazak, CIS, Egypt & India. Below best followed a similar pattern. Medium BP1s met reduced demand at irregularly steady rates with some teas remaining unsold. While plainer types traded irregularly firm to easier rates with support from the local packers. Sudan was out in Sale 34 resulting to reduced absorption. KTDA EoR and selected Rwanda PF1s sold at firm to easier rates by 5-20 usc with reduced and selective demand following quality from Pakistan packers and Bazaar, Afghanistan, supported by UK and Yemen. KTDA WoR PF1s traded firm while reprints more than twice continued to be neglected and went out as outlots. Kenya Estates Medium PF1s traded firm to dearer with prices appreciating 5-10 usc and with improved absorption following quality with support from Pakistan, UK and Egypt buyers.

M1: There was improved enquiry on the Rwanda PD and D1 teas due to reduced supply and a strong demand for these teas. Kenya Estates, Uganda and KTDA East & West of Rift valley PD and D1s sold at irregularly firm to easier rates than last week due to reduced demand from Yemen, Pakistan, UK and Egyptian buyers. The balance mediums received steady support at steady to slightly easier rates than last week following quality with some teas remaining unsold.

The top ten Buyers in sale 34 of 2023 are as per below: -

Sale No	34				
Status	Sold				
Sold Packages	Grade				
Buyer	BP1	DUST1	PD	PF1	Grand Total
Chai Trading and Company Limited	1,360	1,840	2,880	9,560	15,640
Global Tea & Commodities Limited	1,000	1,600	4,920	7,480	15,000
Cargill (K) Ltd	800	240	2,160	9,880	13,080
James Finley Mombasa	1,160		6,680	840	8,680
LAB International	80	1,280	4,840	2,020	8,220
SSOE Kenya Limited	2,157	1,080	1,360	3,040	7,637
Devchand Keshavji (K) ltd		120	80	6,040	6,240
Mombasa Coffee Limited	80	1,800	3,960		5,840
Mizaj Africa Limited	240	40	2,600	680	3,560
MJ Clarke Limited		200	1,960	720	2,880

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The movement/Variance of the Top Ten Buyers in Sale 34 vs Sale 33 2023: -

Status	Sold		
Grade	(All)		
Sold Packages	Sale No		
Buyer	34	33	Variance
Chai Trading and Company Limited	15,640	21,360	-5,720
Global Tea & Commodities Limited	15,000	14,400	600
Cargill (K) Ltd	13,080	12,520	560
James Finley Mombasa	8,680	11,520	-2,840
LAB International	8,220	9,360	-1,140
SSOE Kenya Limited	7,637	8,320	-683
Devchand Keshavji (K) ltd	6,240	10,080	-3,840
Mombasa Coffee Limited	5,840	8,040	-2,200
Mizaj Africa Limited	3,560	5,400	-1,840
MJ Clarke Limited	2,880	3,760	-880

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 June 2023 Crop figures were released and production increased significantly by 4.68 M Kgs to 48.12 M kgs vs 43.45 M kgs same month in 2022. Production for the Month of June 2023 was lower by 9.76 M Kgs compared with 57.88 M Kgs for the Month of May 2023. Production for the first six months of 2023 was higher by 2.34 M kgs to stand at 273.64 M kgs against 271.30 M kgs recorded during the same period in 2022.

Sub-Sector	Region	Jun-23	Jun-22	Var, Kgs	Var, %	Jan-June 2023	Jan-June 2022	Var, Kgs	Var, %
Plantations	West of Rift	23,304,381	22,263,727	1,040,654	4.67%	124,799,522	112,606,047	12,193,475	10.83%
	East of Rift	1,717,715	1,389,681	328,034	23.60%	9,483,413	9,254,065	229,348	2.48%
Total		25,022,096	23,653,408	1,368,687	5.79%	134,282,934	121,860,111	12,422,823	10.19%
Smallholder	West of Rift	10,826,976	9,794,617	1,032,359	10.54%	58,416,723	65,449,155	-7,032,432	-10.74%
	East of Rift	12,278,816	10,004,650	2,274,166	22.73%	80,943,781	83,995,350	-3,051,569	-3.63%
Total		23,105,792	19,799,267	3,306,525	16.70%	139,360,505	149,444,505	-10,084,000	-6.75%
Smallholder & Plantations	West of Rift	34,131,357	32,058,344	2,073,013	6.47%	183,216,245	178,055,202	5,161,044	2.90%
	East of Rift	13,996,531	11,394,331	2,602,199	22.84%	90,427,194	93,249,415	-2,822,221	-3.03%
Totals		48,127,888	43,452,675	4,675,212	10.76%	273,643,439	271,304,617	2,338,823	0.86%

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Upcoming Auction: Sale 35 of 2023

The upcoming sale 35 of 2023 has a low closing figure that Sale 36. The current high demand for teas across all the categories and from all the buyers could provide impetus for a stronger market next week and with Pakistan 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 four 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 buyers who slowed their buying this week and were bidding at easier rates in the M1 catalogue.

Sale No.	35	36
Fresh teas, PKgs	137,880	139,900
Reprinted teas, PKgs	64,859	67,960
Total	202,739	207,860
Fresh teas, Kgs	9,319,191	9,507,784
Reprinted teas,Kgs	4,376,357	4,567,781
Total	13,695,548	14,075,565

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