



# ATLAS

TEA BROKERS LTD

Sec,1 M.Nyali,(off Links Shell Petro Station)

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19<sup>th</sup> July 2023

## Market Summary for Sale 29 of 2023

There were 213,860 packages on offer in the M1 & M2 categories this week which met improved demand at generally irregular rates. There was a significant improvement in absorption (86,560 pkgs outlots vs 106,199 pkgs in Sale 28) while the average hammer price was up by 9 usc at USD 2.09 per kg.

The percentage sold was 60% in Sale 29 versus 53% in Sale 28 with 127,300 pkgs being sold in Sale 29 vs 119,654 pkgs sold in Sale 28.

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 40% of the teas offered remaining unsold with the absence of Cargill Kenya Limited in the auction for the fifth week significantly impacting absorption and realized prices across all the grades. In sale 29 KTDA outlots reduced by 27% from 6.5 M kgs in Sale 28 to 4.8 M kgs in Sale 29 which represents 83% of the total outlots.

## **Sale 29 Absorption across all the Countries: -**

Sale No	29				
Country	Sold	Outlots	Total	% Sold	% Outlots
Burundi	84,498	27,510	112,008	75%	25%
Kenya	6,681,022	5,478,311	12,159,333	55%	45%
Rwanda	634,396	130,256	764,652	83%	17%
Tanzania	59,632	24,984	84,616	70%	30%
Uganda	1,308,390	182,430	1,490,820	88%	12%
Total, Kgs	8,767,938	5,843,491	14,611,428	60%	40%

## **Sold teas in Sale 29 vs Sale 28 per grade: -**

Status	Sold			
Kgs	Sale No			
Grade	29	28	Variance	% Variance
BP1	954,249	987,327	-33,079	-3%
DUST1	941,381	837,226	104,155	12%
PD	3,104,868	2,722,068	382,801	14%
PF1	3,767,440	3,650,698	116,742	3%
Total	8,767,938	8,197,319	570,619	7%

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### Outlots in Sale 29 vs Sale 28 per grade: -

Status	Outlots			
Kgs	Sale No			
Grade	29	28	Variance	% Variance
BP1	1,568,261	1,549,220	19,041	1%
DUST1	598,248	770,139	-171,891	-22%
PD	875,266	1,728,802	-853,536	-49%
PF1	2,801,716	3,259,456	-457,740	-14%
Total	5,843,491	7,307,617	-1,464,126	-20%

### Price

#### Auction Average Price Movement Sale 29 vs Sale 28

Sale Price(\$)			
Grade	(All)		
	Sale No		
Country	29	28	Variance
Burundi	1.88	1.76	0.11
Kenya	2.30	2.21	0.09
Rwanda	2.53	2.49	0.03
Tanzania	0.90	0.95	- 0.04
Uganda	1.04	0.96	0.08
Average	2.09	2.00	0.09

#### Auction Average Price Movement Per grade across all the Countries in Sale 29 vs Sale 28

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	29	28	Variance	Country	29	28	Variance	Country	29	28	Variance	Country	29	28	Variance
Burundi	1.63	1.54	0.09	Burundi	2.04	2.04		Burundi	2.01	2.01		Burundi	2.14	2.10	0.04
Kenya	1.86	1.65	0.20	Kenya	2.36	2.25	0.11	Kenya	2.30	2.25	0.05	Kenya	2.44	2.41	0.03
Rwanda	2.08	2.04	0.05	Rwanda	2.65	2.64	0.01	Rwanda	2.89	2.84	0.05	Rwanda	2.82	2.65	0.17
Tanzania	0.80	0.71	0.09	Tanzania	0.91	0.98	(0.08)	Tanzania	1.02	1.04	(0.02)	Tanzania	1.00	1.02	(0.02)
Uganda	0.95	0.76	0.19	Uganda	0.97	0.92	0.05	Uganda	1.13	1.09	0.04	Uganda	1.16	1.07	0.09
Average	1.66	1.49	0.18	Average	2.15	2.07	0.08	Average	2.10	1.99	0.11	Average	2.16	2.09	0.07

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**M2:** BP1s met improved demand with maintained interest from UAE, Pakistan, Kazak and CIS buyers. Flavory EoR BP1's met improved demand with good interest from Kazak and CIS buyers. They sold at firm to slightly dearer rates. The below best sold at irregularly firm rates with most selling at their reserve prices. KTDA WoR BP1's sold selectively at the minimum reserve price. Pakistan and UAE packers lend useful support while Sudan and Iran remained absent. Better medium BP1's were dearer with rest tending irregular steady to easier following quality. Plainer BP1's sold at irregularly steady levels following quality. They received steady interest from South Sudan and local packers. Flavoury Rwanda BP1's recovered and sold at dearer rates. The Medium Rwanda's were irregularly steady to slightly easier; following quality.

KTDA EoR and Rwanda PF1's sold at firm rates with a few better marks appreciating by up to 10usc. They witnessed steady demand from Pakistan packers, CIS, UK, Egypt and Afghan and Bazar. WoR PF1 sold at irregularly firm levels with most selling at their reserved prices. They saw selective demand mainly from Pakistan packers, UK and Afghan. Plainer types sold at irregularly steady to easier levels, following quality. They got improved enquiry from Pakistan Bazar, UK, Egypt and CIS. There was improved general demand in the PF1 auction this week with most teas trading at firm to dearer rates. 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 fifth consecutive week but SSOE Kenya was active but very selective. Plantation types were irregularly steady to slightly easier and were well supported by Pakistan, Afghan, Bazaar, UK, Egypt and CIS buyers.

**M1:** There was improved general demand in the Dust auction this week with most teas trading at firm to dearer rates. KTDA EoR and Rwanda PD/D1 continued to attract improved demand with support from Yemen, Pakistan packers, UK and Egypt. WoR types continued to suffer due to absence of CKL but SSOE Kenya was active but very selective.

Best PDs/D1s traded irregularly firm to 10 usc dearer, below best irregularly firm while good mediums traded irregularly steady at last week's prices. Medium PDs, quality types remained firm while the remainder traded irregular and up to 5 usc easier. Plainer PDs traded irregularly steady to easier.

**The top ten Buyers in sale 29 of 2023 are as per below: -**

Sale No	29				
Status	Sold				
Sold Packages	Grade				
Buyer	BP1	DUST1	PD	PF1	Total
SSOE Kenya Limited	2,760	1,000	8,480	6,840	19,080
Global Tea Commodities	1,000	3,080	6,560	7,640	18,280
Chai Trading Limited	2,040	360	1,200	9,580	13,180
Devchand Keshavji (K) Ltd	40	160	160	10,120	10,480
James Finley Mombasa	1,280	120	5,820	1,880	9,100
LAB International	40	1,880	4,240	1,680	7,840
Swafi Limited	760	2,000	3,680	80	6,520
Mombasa Coffee Limited	160	1,760	3,600	240	5,760
Alibhai Ramji (Msa) Ltd	720	200		4,080	5,000
Shakab Imports Exports Co Ltd	760		200	3,240	4,200

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### The movement/Variance of the Top Ten Buyers in Sale 29 vs Sale 28 2023: -

Status	Sold		
Grade	(All)		
Sum of Sold Packages	Sale No		
Buyer	29	28	Variance
SSOE Kenya Limited	19,080	12,558	6522
Global Tea Commodities	18,280	18,040	240
Chai Trading Limited	13,180	14,220	-1040
Devchand Keshavji (K) Ltd	10,480	9,000	1480
James Finley Mombasa	9,100	13,440	-4340
LAB International	7,840	12,520	-4680
Swafi Limited	6,520	2,320	4200
Mombasa Coffee Limited	5,760	5,720	40
Alibhai Ramji (Msa) Ltd	5,000	1,840	3160
Shakab Imports Exports Co Ltd	4,200	800	3400

### 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		<u>22,926,862</u>	<u>18,049,969</u>	<u>4,876,893</u>	<u>27.02%</u>	<u>80,502,748</u>	<u>75,149,293</u>	<u>5,353,455</u>	<u>7.12%</u>
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		<u>26,564,529</u>	<u>25,228,920</u>	<u>-9,743,262</u>	<u>14.09%</u>	<u>87,126,894</u>	<u>101,852,090</u>	<u>-14,725,196</u>	<u>-14.46%</u>
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		<u>49,491,391</u>	<u>46,476,162</u>	<u>-15,987,369</u>	<u>19.74%</u>	<u>167,629,642</u>	<u>177,001,384</u>	<u>-9,371,741</u>	<u>-5.29%</u>

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### Upcoming Auction: Sale 30 of 2023

There was an improvement in the demand by Pakistan packers, Bazaar, Afghanistan, Yemen, CIS, Egyptian and UK buyers across all categories of tea which is likely to go on next week. The significant reductions in fresh offerings from most producers will likely result in improved demand and competition from all the buyers resulting in improved absorption and price realization. There is still a challenge caused by the huge carryover of KTDA reprinted teas especially BP1s and KTDA WoR PF1s which have suffered due to the absence of Cargill Kenya Limited in the last 5 auctions. The entrance of SSOE Kenya Limited in that space will help improve absorption. For now, we recommend selling the teas at the best market price available due to the uncertainty in prices.

Sale No.	30	31
Fresh teas, PKgs	120,505	122,159
Reprinted teas, PKgs	128,563	88,275
Total	249,068	210,434
Fresh teas, Kgs	7,978,980	8,203,032
Reprinted teas,Kgs	8,674,649	5,945,162
Total	16,653,629	14,148,194

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