ATLAS TEA BROKERS LTD

Sec,1 M.Nyali,(off Links Shell Petro Station)
P.O. Box 3445-80100 Mombasa
Tel: 0711 509979
Email:info@atlastea.co.ke

9th August 2023

Market Summary for Sale 32 of 2023

There were 194,819 packages on offer in the M1 & M2 categories this week which met slightly improved demand at generally irregular to dearer rates. There was an increase in absorption (64% vs 58% in Sale 31) while the average hammer price was up by 2 usc at USD 1.86 per kg.

The percentage sold was 64% in Sale 32 with 123,699 pkgs sold versus 58% in Sale 31 where 109,420 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) which makes up 95% of the total outlots with 36% of the teas offered remaining unsold. The improved absorption in Sale 32 was as a result of improved demand as well as the resumption of Cargill Kenya Limited in the auction after being away for seven weeks. The resumption of Cargill Kenya Limited significantly impacted improved absorption and realized prices across all the grades especially KTDA East of Rift valley PF1s and Rwanda PF1s where they were very competitive but selective on KTDA West of Rift valley. In sale 32 KTDA outlots stood at 59,680 pkgs which represents 84% of the total outlots with most of these teas being KTDA East of Rift valley reprinted BP1s and KTDA West of Rift valleys from all the grades.

Sale 32 Absorption across all the Countries: -

Sale No	32				
Country	Sold	Outlots	Total	% Sold	% Outlots
Burundi	75,143	23,298	98,441	76%	24%
Kenya	6,907,587	4,599,713	11,507,300	60%	40%
Rwanda	557,671	74,328	631,999	88%	12%
Tanzania	47,120	6,624	53,744	88%	12%
Uganda	967,498	153,282	1,120,780	86%	14%
Total, Kgs	8,555,019	4,857,245	13,412,264	64%	36%

Sold teas in Sale 32 vs Sale 31 per grade: -

Status	Sold			
Kgs	Sale No			
Grade	32	31	Variance	% Variance
BP1	861,298	782,543	78,755	10%
DUST1	766,755	824,554	-57,798	-7%
PD	2,958,333	2,628,314	330,019	13%
PF1	3,968,633	3,345,661	622,972	19%
Total	8,555,019	7,581,072	973,948	13%

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Out lots in Sale 32 vs Sale 31 per grade: -

Status	Outlots			
Kgs	Sale No			
Grade	32	31	Variance	% Variance
BP1	1,254,189	1,209,521	44,668	4%
DUST1	578,291	580,987	-2,696	-0.46%
PD	1,048,886	1,389,043	-340,157	-24%
PF1	1,975,879	2,230,176	-254,297	-11%
Total	4,857,245	5,409,727	-552,482	-10%

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 32 vs Sale 31

Sale Price($)			
Grade	BP1		
	Sale No		
Country	32	31	Variance
Burundi	1.62	1.59	0.03
Kenya	2.28	2.16	0.12
Rwanda	3.26	2.73	0.52
Tanzania		1.04	
Uganda	1.17	1.16	0.01
Average	2.08	1.74	0.34

Sale Price($)			
Grade	PF1		
	Sale No		
Country	32	31	Variance
Burundi	1.95	2.03	(0.08)
Kenya	2.54	2.45	0.09
Rwanda	2.75	2.73	0.02
Tanzania	1.08	1.03	0.04
Uganda	1.03	1.08	(0.05)
Average	1.87	1.87	

Sale Price($)			
Grade	PD		
	Sale No		
Country	32	31	Variance
Burundi	1.99	2.04	(0.04)
Kenya	2.29	2.26	0.03
Rwanda	2.83	2.76	0.07
Tanzania	0.96	1.09	(0.13)
Uganda	1.02	1.04	(0.01)
Average	1.82	1.84	(0.02)

Sale Price($)			
Grade	DUST1		
	Sale No		
Country	32	31	Variance
Burundi	1.71	2.08	(0.37)
Kenya	2.34	2.34	
Rwanda	2.86	2.81	0.05
Tanzania	0.91	1.09	(0.18)
Uganda	1.09	1.02	0.07
Average	1.78	1.87	(0.09)

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M2: BP1s met good, improved and highly competitive demand. Flavory EoR BP1s and Rwanda BP1s sold at irregularly firm to dearer rates with interest form Kazak, CIS, UK, Pakistan & India with some selected garden marks selling up to 1.50 Usd higher than last week with the most improved marks being Rwanda BP1s. Below best followed a similar pattern. Medium BP1s met improved demand at irregularly steady rates. While plainer types traded irregularly firm to dearer.
KTDA EoR and selected Rwanda PF1s continued to sell dearer than last week, with some selected invoices gaining up to 30cts vs last week. Strong demand came from Afghan, Bazar and Pakistan packers, supported by UK, Yemen & Japan and also impacted with the resumption of Cargill Kenya Limited. KTDA WoR PF1s traded firm while reprints continued to be neglected. Quality Medium PF1s traded firm to dearer while the remainder traded steady. Better types received good demand from Pakistan and Egypt buyers. Better plainer invoices traded dearer while others traded firm

M1: The auction met reduced demand at easier rates for the second week 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 5-20 usc following quality with most buyers seeking the cleaner leaf teas.
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, Cargill Kenya Limited, Pakistan packers, UK and Egypt. WoR types met improved absorption at the minimum reserve prices with the resumption of CKL.

The top ten Buyers in sale 32 of 2023 are as per below: -

Sale No	32				
Status	Sold				
Sold Packages	Grade				
Buyer	BP1	DUST1	PD	PF1	Total
Cargill (K) Ltd	760	600	5,680	8,040	15,080
Chai Trading Limited	2,000	360	1,680	9,600	13,640
Global Tea & Commodities Limited	1,240	1,200	3,240	6,960	12,640
LAB International	40	1,760	4,320	3,120	9,240
Devchand Keshavji (K) ltd	120	160	320	8,000	8,600
James Finley Mombasa	760	40	6,420	960	8,180
Mombasa Coffee Limited	160	1,400	3,600	2,160	7,320
SSOE Kenya Limited	1,680	920	1,520	2,960	7,080
Mizaj Africa Limited	520	280	4,360	640	5,800
Cofftea Agencies Limited	2,600		240	1,000	3,840

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The movement/Variance of the Top Ten Buyers in Sale 32 vs Sale 31 2023: -

Status	Sold		
Grade	(All)		
Sold Packages	Sale No		
Buyer	32	31	Variance
Cargill (K) Ltd	15,080		15,080
Chai Trading Limited	13,640	15,600	-1,960
Global Tea & Commodities Limited	12,640	12,120	520
LAB International	9,240	11,180	-1,940
Devchand Keshavji (K) ltd	8,600	8,600	0
James Finley Mombasa	8,180	5,440	2,740
Mombasa Coffee Limited	7,320	5,600	1,720
SSOE Kenya Limited	7,080	18,120	-11,040
Mizaj Africa Limited	5,800	3,620	2,180
Cofftea Agencies Limited	3,840	2,880	960

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.

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%

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Upcoming Auction: Sale 33 of 2023

The upcoming sale 33 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. The resumption of Cargill Kenya Limited, CKL 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 three 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	34
Fresh teas, PKgs	143,242	141,200
Reprinted teas, PKgs	81,738	75,920
Total	224,980	217,120
Fresh teas, Kgs	9,597,606	9,544,603
Reprinted teas,Kgs	5,523,213	5,135,881
Total	15,120,819	14,680,484

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