

2020, week 10

Tea Market Report from 02 to 06 March 2020

CTC

Large auction quantities have been readily absorbed in the past period. Considering the volumes, demand kept up very well. This week's Mombasa auction met fair demand for the 197k packages on offer. The market opened steady to easier across all grades and continued to slide during the day leading to 13.5% of the teas on offer remaining unsold, which –all things considering –isn't too bad. BP1s traded generally steady up to 10cts easier with only Rwanda BP1s managing to trade firm up to 40cts dearer. Kazak packers were the strongest on BP1 with support from Sudan & CIS. PF1s traded steady to up to 10cts easier without any exception. Initially the Bazar and Afghan traders were spectators sitting on the fence while the Pakistan packers were dominant. The plainer end was an appetite for UK, Pakistan & Russia. The KTDA's trading arm led the buyer's list followed by Global and Cargill. This week's published crop figure shows a record crop, not only for the month of January but the largest monthly crop ever produced in Kenya. Current weather conditions are conducive for growing tea, with sunny mornings combined with useful showers during the afternoons and evenings. Crop remains high EoR and WoR, while in Uganda crop is on the decline. According to the KMD (Kenya Meteorological department) adverse weather conditions will continue through May 2020, which indicates that rains won't recede on the short term. The Limbe auction met improved but still selective demand. Invoices from Mulanje were again readily absorbed whilst Thyolo types continue to struggle to find buyers. PF1sc lots were the most sought after and traded 8-20cts dearer, BP1s were neglected and PF1 seedlings traded 2-5cts easier where sold. Better PDs traded up to 9cts dearer others eased 2cts. At the end of the auction day 32% remained unsold. Tea plucking is still in full swing, crops are still good but gradually declining. Weather conditions are still good, with regular rains almost every day. The market for CTC teas in Jakarta continued where it stopped last week, a steady to easier trend combined with heavy withdrawals. Despite good demand, good liquoring teas in Kolkata traded sideways and less well-made types traded irregularly easier, with 58% of the teas on offer being sold. In Guwahati most CTC teas on offer traded irregularly sideways. Useful rains in the Northern planting districts are a good forecast for a healthy first flush crop. In Cochin CTC teas met fair demand leading to irregular rates while in Coonoor a slight surge of good demand was witnessed for best and good liquoring teas. Weather conditions in South India are sunny with temperatures well above 20 degrees Celsius, crops remain low.

Orthodox

Good general demand prevailed in the **Colombo** auction with 5.7 m.kgs on offer. Low Growns continued to be the star of the show, having sold 2.5 m.kgs at all around dearer levels. OP1 and BOP1 range of teas were dearer, along with OP and OPA types. PEK and PEK1's along with Tippy specials followed similarly. Exceptions in the room for this trend were BOP and BOPFs which sold around last and better FBOP's which held firm. On the High Growns side, 1.5m. kgs were on offer this week. Demand improved slightly this week for better liquoring types such as the improved BOP/ BOPF and Nuwara Eliyas. Uva/ Uda Pussellawa BOPs tended lower, whilst BOPF held firm. In the secondary market, better liquoring fngs held firm while low grown fngs were let go at lower levels. Bright liquoring primary dusts improved slightly while below best and plainer varieties tended lower. Secondary dusts held firm, while low grown types declined in value. Dry and bright weather prevails in all planting districts. There are concerns in the Low Grown sector due to the lack of rain, as many agro climatic regions within the Ruhuna and Sabaragamuwa Low Grown sub sectors have reported drought conditions. As a result crop intakes are low and it is unlikely that the market will see a correction downwards with respect to the Low Grown sector. The lack of demand from China prevails and has had a profound effect on the secondary BOP grades.

Sentiment in **Jakarta** was bearish with less demand for 12,760 packages, of which 29% was unsold. Java/Sumatra Orthodox sold predominantly at steady to firm except for some selected invoices of Java BOPF/DUST/BT and Sumatra BOPF/BP/BP2 which sold at firm to dearer levels. Java/Sumatra CTC sold at steady to easier levels with many withdrawn. Crops are maintaining. Java reported heavy showers in most tea regions with overcast conditions. Sumatra has a bit of sunshine in the morning with moderate rainfall reported in the North regions and regular heavy rains reported in the West/ South. In **Kochi**, there was fair demand. Select Nilgiri teas sold irregularly lower, while Medium whole leaf and cleaner broken sold at easier levels. Secondaries continued to see fair withdrawals and fngs tended lower. **Kolkata** opened to considerable demand for a relatively small quantity of teas on offer. All sorts sold fully firm for better liquoring and earlier teas.

Auction qty. (pkgs)	Week 11	Week 12	Week 13
Mombasa	198,279	200,103	189,996
Blantyre	6,650	7,920	N/A
Colombo	5.72m.kgs	5.15 m. kgs	N/A
Jakarta	11,620	11,360	N/A
Kolkata	690	5,184	N/A
Guwahati	N/A	2,345	N/A

Crop figures (m. kg)	Jan'20	Jan '19	Jan –Dec '19	Jan –Dec '18
Kenya	53.6	48.4		
Sri Lanka	21.9	23.2		
	Dec '19	Dec '18		
Malawi	4.9	6.4	48.2	50.6
India	67.0	55.5	1389.7	1338.6

All price movements quoted in usd per kilo
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2020, week 9

Tea Market Report from 24 to 28 February 2020

CTC

Good general demand prevailed in this week's **Mombasa** auction. Despite the 3rd largest auction quantity in the history of the Mombasa auction with 208k packages on offer, demand remained buoyant and only slightly tapered towards the close. Most BP1s traded firm up to 20cts dearer, especially Rwandan BP1s gained 30 to 70usc on the back of demand from Kazakh buyers. Less well-made types were an appetite for Pakistan packers & Sudanese buyers. PF1s best traded firm, below best, good medium & mediums steady to easier, the plainer end managed to hold firm and gained up to 5 cts. Strong demand came from Chai while also Unilever & Pakistan buyers were active on PF1s. Best and below best PDs traded steady to 2-4cts easier while the Good medium & mediums traded firm up to 4-6 cts dearer and the plainer end traded irregular following quality. D1s followed a similar trend. In the meantime, weather circumstances in the tea growing areas are changing gradually, slowly rains are receding and temperatures are going up combined with clear skies and sunshine. Nevertheless, crop intake remains high, higher night temperatures are favorable for crop. Latest update from the tea growing areas tell us that the locusts haven't affected the tea areas and will most likely stay away due to the lower temperatures than elsewhere. The average auction quantity from sale 4 up to 11 (8 sales) in 2020 is 202k packages, while in 2019 this was 187k packages and in 2018 136k packages. This shows there is a lot of tea around. But the out lots percentage of 15% indicates that the market is fairly capable of absorbing these large amounts of tea. The auction in **Limbe** showed a two-tier market divided by region. Fresh invoices sold well predominantly from Mulanje, Thyolo and old invoices however were neglected. At the end of the day 53% of the teas on offer were sold. Weather conditions in Mulanje are sunny and dry with twodays of widespread rains in the last week. While Thyolo reported generally bright and dry weather with some sporadic showers. Green leaf intake is healthy with tea factories running in full swing. In **Jakarta** CTC teas were mostly withdrawn and trading steady to easier where sold. While the off season is coming to an end and fresh teas are being produced in North India, the **Kolkata** auction met improved demand with better teas holding firm while poorer types struggled to find a home. The **Guwahati** auction was experiencing a similar trend with most teas trading sideways at irregular rates. In the South CTC teas met fair demand in **Cochin**, while winter is slowly receding. Day temperatures go up to 25 degrees in the Nilgiris during sunny days.

Orthodox

The **Colombo** auction room attracted good demand for the relatively small quantity of 5.4 m.kgs. The biggest chunk, 2.2 m.kgs, was on offer in the Low Grown sector which showed an overall dearer trend. OP1 and BOP1 grades were sold at dearer levels with only a few lots in the below best category selling at slightly lower levels. OP, OPA, PEK and PEK1's showed similar results while FBOP, FBOP1's and Tippy specials held firm levels. With a quantity of 1.5 m.kgs in the High Grown sector, the opposite results were achieved. All BOP/BOPF on offer attracted interest at lower levels with the exception of a select few best Western, Nuwara Eliya lots with seasonal quality. In the secondary market the liquoring fngs were all round lower and BP/BM overall dearer. The HG and LG dust were let go at lower levels whilst the secondary dust held firm. Dry weather has prevailed in all planting districts with a few isolated showers in the HG area. As result, crop intakes are moderate and show an overall decline which is reflected to the auction room with 5.39 m.kgs and 5.72 m.kgs on offer in the coming two weeks. Noticeable is the lack of demand from China due to temporarily halted shipments as a result of CORVID-19. The logistic part has affected the producers in China as well the most. Productivity in most factories has reduced by 10% due to increased security measurements but the biggest disturbance for the industry is currently the logistics.

In **Jakarta**, for the 2nd time this year, severe flooding's have been recorded after two tropical cyclones off the coast have triggered extreme rainfall. Most buyers were able to make it to the auction room where they showed less demand for the 11,280 pkgs on offer, with 35% remaining unsold. Java BOP1 and BOP have been withdrawn, BOPF and PF were steady, while the dust and BT types sold at slightly dearer rates. North Sumatra lots met improved demand with BOPF and BT selling firm to dearer, PF firm and dust at slightly easier levels. West Sumatra teas met fair demand at steady levels. The crops in Indonesia are maintaining with steady auction quantities of around 12K pkgs. In **North East India** unseasonal heavy rainfall has been received due to cyclonic disturbance. Dooars production has started and the teas are beginning to flow into the market whilst Assam will take another week due to the low temperatures. In **Kolkata** the market opened to strong demand for clean, well-made brokens and fannings which sold at fully firm rates. Remainder browner, stalkier and end season grades witnessed good demand at last week's levels, a total of 83% have been sold. In Kochi, there was less demand for all teas on offer due to subdued demand from exporters. Select best Nilgiri teas settled at lower levels whilst Medium sorts continued to see withdrawals. Primary brokens and secondaries, select whole leaf and cleaner brokens sold around last levels and fannings at lower levels.

Auction qty. (pkgs)	Week 10	Week 11	Week 12
Mombasa	196,918	198,279	200,103
Blantyre	5,440	6,650	N/A
Colombo	5.39 m.kgs	5.72 m.kgs	N/A
Jakarta	12,700	11,620	N/A
Kolkata	7,826	690	N/A
Guwahati	9,921	N/A	N/A

Crop figures (m. kg)	Dec '19	Dec '18	Jan -Dec '19	Jan -Dec '18
Malawi	4.9	6.4	48.2	50.6
Kenya	50.7	51.8	458.8	493.0
Sri Lanka	22.0	26.0	300.1	303.9
India	67.0	55.5	1389.7	1338.6

All price movements quoted in usd per kilo

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2020, Week 08

Tea Market Report from 17 to 21 February 2020

Kenya: The seventh auction of the year saw the total packages on offer rise again, with 202'559 packages on offer, up from 189'950 the previous week. The absorption rate was marginally improved, with 11% of teas remaining unsold, compared to 12% last week. Despite, the continuous large offerings since the New Year, there remains good demand in the market, with the all average hammer price only dropping 3usc to settle at 2.00USD. On another point, there are reports that desert locusts have swarmed some teas plantations in Nyeri, which could have a devastating impact on crop production.

Malawi: In this week's auction there were 7'480 packages on offer and the absorption rate sat at 78.88%, a 13.42 increase on the previous week. The all average hammer price rose from 132.39usc to 139.40usc, thanks to the good demand in the auction.

Indonesia: There was less demand for the 9'800 packages on offer, with 32% remaining unsold. General Price trends indicated that Java/Sumatra Orthodox were mostly selling at steady to easier rates, with Java and Sumatra CTC following the same price trends.

Sri Lanka: The auction quantities remain limited and are well below the levels of last year, but with the ongoing lower supply going forward; it is likely that the market will remain strong. The total sale average rose from 3.30 to 3.36 USD this week, which is significantly higher than the corresponding auction last year, which sat at 3.21 USD. Additionally, the crop figures for January 2020 were released and the figure is 21.9m kgs, reflecting a 1.3m kg deficit when compared to 2019. In fact, it is the lowest January crop figure over the last 3 years, with Low and Medium Growns making up the bulk of the loss.

North India: The Tea Board has given permission for plucking of all teas, across all states from 17th February 2020.

Crop figures (in m.kg)

	Jan20	Jan19		
Sri Lanka	21.9	23.2		
	Dec19	Dec18	Jan-Dec 19	Jan-Dec 18
Malawi	4.98	6.35	48.19	50.59
Kenya	50.66	51.83	458.85	493.00
Sri Lanka	22.00	26.00	300.10	303.90
India	67.00	55.5	1389.70	1338.60

Upcoming auction quantities (pkgs)

	Week 9	Week 10	Week 11
Mombasa	208'298	196'918	198'279
Blantyre	7'280	5'440	N/A
Colombo	5.4m kgs	5.4m kgs	N/A
Jakarta	13'360	N/A	N/A
Kolkata	56'417	7'826	N/A
Guwahati	N/A	8'921	N/A

KENYA

Auction: Best BP1's irregularly firm to dearer following quality. Below best steady-10usc easier and more for selected best, good medium opened steady but gained to close firm to a few usc dearer, medium steady-5usc easier plainer firm. Best PF1's steady -4usc easier, below best 4-6usc easier, good medium steady -4usc easier, medium irregularly steady to easier with selected best firm and plainer steady -easier. Best PD's up to 2usc easier, below best steady-5usc easier, good medium 5-15usc easier, medium irregularly steady-5usc easier and plainer up to 5usc easier. Best D1's steady-8usc easier, below best irregularly steady -14usc easier, good medium steady -6usc easier, medium steady -5usc easier and plainer up to 5usc easier.

Demand: Pakistan packers continued supportive of the market with Egypt also active. UK and Russia were selective. Yemen and Sudan maintained, whilst Kazak, Bazar and Afghan were slower. Somalia was active at the lower end of the market.

Weather: EoR -On the whole, minimal rainfall with sunny periods in the morning and the occasional scattered shower. WoR -The week started off dry and transitioned into some showers later in the week. Crop intake EoR crop levels remained steady and WoR crop levels remained high.

MALAWI

Auction: BP1 taken out under bid, PF1 Sc good demand at steady -2usc easier, PF1 Seedling very good demand at steady -1usc easier rates, PF's selective at last week's prices, PF's good demand at steady -1usc dearer rates, D1's strong demand at 10-12usc dearer, off grade fngs very good demand at steady -few cents dearer rates, off grade dust neglected.

Weather: Mulanje: Good rains were recorded on the 12th of February and throughout the remainder of the week it was dry and sunny. In Thyolo there were frequent showers on the 11th and 12th, yet almost all the rains occurred in the evening.

SRI LANKA

Auction: High Grown-fair demand. Western BOP best 5-10usc dearer, below best 5-8usc dearer and plain 5usc dearer. Western BOPF best 5-10usc dearer, below best 3-5usc dearer and plain 5-10usc dearer. N. Eliya BOP 10-20usc dearer and BOPF 20usc dearer. Uva/Udapussellewa BOP 3-5usc dearer and BOPF 5-10usc dearer. Low Grown -fair demand. OP1 select best firm, best 5usc lower, below best 5usc lower and bottom firm. BOP1 select best 10usc lower, best 5usc lower, below best firm and bottom 5usc dearer. OP selects best and best 5usc lower, below best firm -5usc dearer and bottom 5usc dearer. OPA select best firm, best 5usc lower, below best and bottom 5usc dearer. Pekoe 1 select best 5usc dearer, best firm, below best 3usc lower and bottom 5usc dearer. Pekoe selects best, best and below best 5usc lower and bottom 5-10usc dearer. FBOP/FBOP1 best firm, below best firm and bottom 10usc dearer. FF1 best 10usc lower, below best and bottom firm. FF all round firm. BOP best and below best firm, bottom 5usc dearer and BOPF all-round firm. Tippiess/specials all around firm. Off grades-Liq. Fgs all round firm. Low Grown Fgs select best lower by 10usc whilst others firm and bottom 10usc lower. BP best 20usc dearer and bottom 40usc dearer, BM best firm, below best firm and bottom 20usc dearer. BOP1A select best 5usc lower, best firm, below best and bottom 15usc dearer. Dust-High Grown/Liq.primary better sorts firm -20usc dearer, others firm to 15usc lower following quality. Secondaries firm. Low Grown better sorts firm -10usc dearer others firm.

Demand: High Grown/Mid Grown -There was a total of 1.6million kilograms on offer. Unilever was operating, along with buyer on behalf of South Africa, Japan, UK, The continent, Hong Kong, China, North America and select Middle East out markets. Low Grown -There was a quantity of 2.4million kilos on offer this week. Saudi Arabia was operating, along with buyers on behalf of Russia, Syria, Iraq, Turkey, Jordan, Lebanon, Germany and some East European out-markets, Iran was quiet.

Weather: Dry and bright weather conditions continue to prevail in all planting districts, with crop intakes low.

INDONESIA

Auction: Java orthodox –fair demand, BOP1 firm, BOP steady, BOPF steady. PF firm, dust firm, BT steady, BT2 steady, PF2 firm, D2 firm D3 firm. West Sumatra –fair demand. BOP1 firm, BOP firm, BOPF firm –4usc dearer, PF neglected, Dust firm, BT firm, BT2 firm, PF2 firm, D2 N/A, D3 N/a. Java CTC –less demand. BP1 west withdrawn and east N/A, PF1 west firm and east neglected, PD west withdrawn and east withdrawn, D1 west firm and east withdrawn, Fngs west firm and east neglected, D2 west withdrawn, east withdrawn, F2 west N/A and east N/A.

Weather: Java–in West and Central Java it was mostly cloudy with some heavy showers and in the east enjoyed sunny conditions in the mornings and regular rains in the afternoons. In Sumatra it was regularly sunny in the morning with irregular showers in the afternoon, lower precipitation levels were reported in the north and south, compared to the west.

INDIA

Kolkata

Auction: CTC –Good demand at lower levels. Select Assams maintaining quality and selling readily, the remainder lending easier and witnessing withdrawals. Orthodox –Improved demand at lower levels. Clean, well-made and easier whole leaf and brokens selling readily at levels similar to last. Remainder browner, stalkier and end season whole leaf, brokens and fannings selling irregularly at lower rates, particularly secondary grades.

Guwahati

Auction: CTC –opened to good demand. Select good liquoring teas barely steady, remainder irregular following quality. Dust –All sorts tending easier following quality.

Coonoor

Auction: CTC –Brighter liquoring teas sold at steady to easier levels. Good, better medium and medium met a down trend by up to 4usc or more amidst weak demand and is piled up with larger volume of teas barring select bolder and fannings grades, which were barely steady and plainer varieties irregularly lower at last levels. Orthodox –selective demand. Whole leaf grades irregular and lower, other broken and fannings came to lower market once again with some quantity remaining unsold. CTC dust –Brighter teas easier by up to 4usc, good and better mediums easier by 2-4usc with teas once again facing withdrawals, medium teas declined by 2usc but were sold better in volume compared to last and plainer teas were easier.

Cochin

Auction: Orthodox –less demand. Select Nilgiri teas sold at around last in line with quality, medium sorts continued to see heavy withdrawals on the primary brokens and secondary grades, whole leaf grades sold lower and fannings types also lower.

Coimbatore

Auction: Leaf –fair demand. Better liquoring brokens around last levels, medium and plainer types irregularly lower and fannings firm. Orthodox –fair demand. Whole leaf sold at fully firm levels, remainder easier and facing withdrawals. Dust –fair demand. Good liquoring PD's easier by up to 2usc with fair withdrawals, finer grades around last, medium sorts easier by 2-3usc, plainer types lower by 1-2usc with fibrous kinds facing withdrawals.

2020, Week 07

Tea Market Report from 10 to 14 February 2020

Kenya: The sixth auction of the year saw the total packages on offer drop from the record highs of the previous weeks to a still impressive 189'950. There was fairly good demand and the absorption rates remained high with 12% remaining unsold. Overall, the market was easier across the board, however, the all average hammer price lost by 5usc and fell to 2.03usd, except for Burundi BP1 and PF1's which gained, defying the market dynamics for a second week running.

Malawi: In this week's auction there were 8'860 packages on offer and the absorption rate sat at 65.46% by the close of play. Most of the unsold teas consisted of poor and old teas, beside those that aren't Rainforest Alliance certified. The all average hammer price dipped slightly from 132.39usc from 134.04usc, thanks to the reduced business concluded in the room.

Indonesia: There was less demand for the 9'380 packages on offer, with 38% remaining unsold. General price trends indicated that Java/Sumatra Orthodox were mostly selling at steady to firm, beside Java and Sumatra CTC which were selling at steady to firm with many withdrawals.

Sri Lanka: The continued lower auction quantities suggest an ongoing bullish market for the forthcoming period, meaning it is likely that Colombo's price levels will consistently surpass 2019's levels. The total sale average for auction 05 is 3.30usd, marginally above the 3.29usd of the previous year; however these are significantly down when compared to the same auction in 2018, which sat at an impressive 3.62usd. On a separate note, as indicated last week, the proposed wage increases to plantation workers is something that the plantation sector is monitoring very closely and may be considered.

North India: The Tea Board has given permission for plucking of First Flush Teas only for Orthodox Tea manufacture from the 9th February 2020.

Crop figures (in m.kg)

	Dec 19	Dec 18	Jan-Dec 19	Jan-Dec 18
Malawi	4.98	6.35	48.19	50.59
Kenya	50.66	51.83	458.85	493.00
Sri Lanka	22.00	26.00	300.10	303.90
India	67.00	55.5	1389.70	1338.60

Upcoming auction quantities (pkgs)

	Week 8	Week 9	Week 10
Mombasa	202'759	208'298	196'918
Blantyre	7'480	7'280	N/A
Colombo	6.0 m kgs	5.4m kgs	N/A
Jakarta	N/A	N/A	N/A
Kolkata	115,916	N/A	N/A
Guwahati	169'418	78'624	N/A

KENYA

Auction: Best BP1's irregularly firm to dearer following quality, below best steady -6usc easier, good medium irregularly steady -2usc easier, medium steady -5usc easier with a few selected best firm and plainer firm. Best PF1's up to 8usc easier, below best 6-10usc easier, good medium 2-6usc easier, medium irregularly firm and plainer steady -easier. Best PD's up to 10usc easier, below best 10-15usc easier, good medium 4-12usc easier, medium 2-5usc easier and plainer up to 5usc easier. Best D1's up to 12usc easier, below best 10-16usc easier, good medium steady -4usc easier, medium 2-6usc easier and plainer 5-12usc easier.

Demand: Pakistan packers continued supportive of the market with Egypt also active. Uk and Russia were selective. Yemen and Sudan were maintained while Kazak and Bazar were slower as were Afghan. Somalia was active at the lower end of the market.

Weather: EoR -For the most part, days were sunny and bright with little to no rainfall recorded. WoR -On the whole, the wet conditions continued, with bright and dry mornings, followed by cloudy and wet afternoons. Crop intake EoR crop levels remained steady and WoR crop levels remained high.

MALAWI

Auction: BP1 Neglected due to poor quality on offer, PF1sc good demand at steady to 1usc easier, PF1 seedling many lots were taken out under bid, the few that sold were steady to a cent easier, PF's neglected, PD's good demand at 1-2usc easier rates, D1's good demand, the market adjusted downwards by 10-14usc, Off grade fngs the poor leaf descriptions shed 2usc while the better leaf types gained up to 3usc and lastly Off grade dust neglected owing to poor quality.

Weather: In Mulanje, it rained again almost daily, with showers experienced throughout the week, meaning 2 straight weeks of rains. In Thyolo there were scattered and isolated rains during the week and is expected to continue into next week.

SRI LANKA

Auction: High Grown-fair demand. Western BOP best 5-10usc dearer, below best 3-5usc dearer and plain 5usc dearer. Western BOPF best 10usc dearer, below best 5usc dearer and plain firm. N. Eliya BOP 3-5usc lower and BOPF irregular. Uva/Udapussellewa BOP 2-3usc dearer and BOPF firm. Low Grown -Good demand. OP1 select best 5usc lower, best firm -5usc dearer, below best 10-20usc dearer and bottom 10-20usc dearer. BOP1 select best firm, best 10usc dearer, below best 10usc dearer and bottom 10-20usc dearer. OP select best firm, best 10usc lower, below best 10usc dearer and bottom 10usc dearer. OPA select best firm, best 10usc dearer, below best 5usc dearer and bottom 10usc dearer. Pekoe 1 all round 10usc lower. Pekoe select best firm, best 5usc lower, below best and bottom 10-20usc dearer. FBOP/FBOP1 best firm, below best 10usc dearer and bottom 5-10usc dearer. FF1 best and below best firm, bottom 5usc dearer. FF best 10-15usc dearer, others all around firm. BOP best 10usc dearer, below best and bottom 5-10usc dearer and BOPF all-round 5usc dearer. Tippiies/specials all around 10usc dearer. Off grades-Liq. Fgs all around 10usc dearer. Low Grown Fgs select best lower by 10usc whilst others lower by 5-10usc. BP firm to last, bottom 30usc dearer and BM better sorts firm, below best 20usc dearer and bottom 30usc dearer. BOP1A overall 10usc dearer. Dust-High Grown/Liq. primary 10usc dearer. Secondaries 5-10usc dearer. Low Grown 5-10usc dearer.

Demand: High Grown/Mid Grown –There was good demand 1.4million kilograms of tea on offer yet again. Unilever was active, along with buyers on behalf of UK, The Continent, Japan, Hong Kong, China, UAE, North America, Egypt and select Middle East out-markets. Low Grown -There was a quantity of 2.5million kilos on offer this week. Saudi Arabia was operating, along with buyers on behalf of Russia, Syria, Turkey, Libya, Iraq, Iran, UAE and Jordan.

Weather: Bright and dry weather continues to be prevalent in all planting districts and crop intakes are reported to be low.

INDONESIA

Auction: Java orthodox –fair demand, BOP1 Withdrawn, BOP firm, BOPF steady. PF irregularly steady form 6usc easier –2usc dearer, dust irregularly steady from 5usc easier –6usc dearer, BT steady, BT2 steady, PF2 firm, D2 neglected D3 steady. West Sumatra –Fair demand. BOP1 N/A, BOP N/A, BOPF firm, PF withdrawn, Dust neglected, BT neglected, BT2 firm, PF2 withdrawn, D2 neglected, D3 firm. Java CTC –less demand. BP1 west withdrawn and east N/A, PF1 west withdrawn and east neglected, PD west withdrawn and east withdrawn, D1 west firm and east withdrawn, Fngs west firm and east neglected, D2 west steady, east withdrawn, F2 west N/A and east N/A.

Weather: Java–Most areas in the region experienced bright and sunny conditions in the morning with regular rains in the afternoon and evening. In Sumatra it was partly sunny in the morning with irregular showers during the afternoon.

INDIA

Kolkata

Auction: CTC –fair demand. A few bright liquoring Assams with a hint of quality sold well at steady levels, plainer and brown leaf descriptions were 5-8usc easier with heavy withdrawals. Orthodox –Good demand. Well-made cleaner whole leaf and Brokens irregular and at times tending lower. Remainder sorts easier following quality with some withdrawals. Less enquiry for fannings and Secondaries around list.

Guwahati:

Auction: CTC –less demand. Teas are selling irregularly easier around last.

Coonoor

Auction: CTC –selective demand. Good and better medium bolder's and fannings barley steady. Other grades depreciated by 3-4usc with larger volumes out listed due to lack of bids, plainer, cleaner varieties at last other browner fibrous teas easier by up to 2usc. Orthodox –select lines of primary whole leaf grades at firm to dearer rates whilst others witnessed a barely steady market. Brokens continues to suffer less demand with quantum of teas unsold, primary fannings sold well whilst others declined or rather were unsold. CTC dust – brighter teas easier by 3-5usc, sometimes with outlots, good and better mediums were easier by 3-4usc with quantum of teas remaining unsold. Medium teas met depreciation with heavy withdrawals and plainer teas were easier especially browner sorts.

Cochin

Auction: Orthodox –less demand. Select Nilgiri teas sold at easier levels, medium teas lower with heavy withdrawals. CTC fair demand. All teas lower by 1-2usc. Dust Less demand. Good and popular teas easier by 2-3usc and more at times following quality. Medium and plainer types irregularly lower and fannings firm.

Coimbatore

Auction: Leaf –fair demand. Better liquoring broken around last levels, fannings dearer by 2-3usc, medium and plainer types irregularly lower and fannings firm. Orthodox –reduced demand. Whole leaf sold at fully firm levels, remainder easier facing withdrawals. Dust –fair demand. Better liquoring high priced teas sold at around last levels. Select medium PD and RD's with better liquoring properties fully firm. Remainder irregularly lower. Plainer sorts easier by 1-2usc with some withdrawals in the finer grades.

2020, Week 06

Tea Market Report from 03 to 07 February 2020

Kenya: The fifth auction of the year witnesses another huge sale, with a total of 212'580 packages on offer, only 199 packages short of last week's all-time record. Despite the huge volumes that have been offered over the last couple of weeks, absorption remained good with just less than 15% outlots. Despite the good demand, an overall easier trend was seen across all categories by virtue of the huge quantum of tea, but the drop was gradual and not a free fall which some had been anticipating. As a consequence, the all average hammer price decreased by 4usc and settled at 2.08usd.

Malawi: This week's auction saw the absorption rate remain almost the same, settling at 75% thanks to the widespread demand across all grades, except for PF's. The all average price rose from 132.21usc to 134.04usc. On a separate note, the courts in Malawi ruled that there is to be a new presidential election in 150days, annulling the results of the previous election held in May 2019. The reaction to this ruling has so far been peaceful, but this is one to watch as it could have knock on effects on the tea industry.

Indonesia: There was fair demand for the 8'960 packages on offer, with 28% remaining unsold. General Price trends indicated Java and Sumatra Orthodox teas were mostly selling at steady to firm levels, except for selected secondaries, whilst CTC descriptions experienced the same.

Sri Lanka: Auction quantities continue to be modest as a result of the dry weather that is currently prevailing. Quality is in line with the season and especially Western HG teas are seasonally improving. The weekly auction sale average for this week 3.28usd per kg, compared to 3.25usd of the corresponding auction in 2018. Additionally, the crop figures for the year of 2019 were released this week and highlight that tea production is down 3.8m kgs for the year, coming in at 300.1mkgs. The main deficit originated from the High Grown sector, which saw a 2.06-million-kilogramreduction.

North India: The total exports from April to December 2019 dropped to 184.63m kgs from 190.84m kgs in 2018.

Crop figures (in m.kg)

	Dec 19	Dec 18	Jan-Dec 19	Jan-Dec 18
Malawi	4.98	6.35	48.19	50.59
Kenya	50.66	51.83	458.85	493.00
Sri Lanka	22.00	26.00	300.10	303.90
India	67.00	55.5	1389.70	1338.60

Upcoming auction quantities (pkgs)

	Week 8	Week 9	Week 10
Mombasa	189'950	202'759	208,298
Blantyre	8'860	7'480	N/A
Colombo	5.7m kgs	6.0m kgs	N/A
Jakarta	11'860	N/A	N/A
Kolkata	159'986	115,916	N/A
Guwahati	163'653	169'418	N/A

KENYA

Auction: Best BP1's steady to 10usc easier, below best 10-15usc easier, good medium steady-5cts easier, medium 5-10usc easier and plainer 4-10usc easier. Best PF1's 10-14usc easier, below best easier by up to 10usc, good medium 2-4usc easier, medium steady-10usc easier and plainer steady-5usc easier. Best PD's 4-10usc easier, below best easier by up to 10usc, good medium 4-8usc easier, medium steady-8usc easier and plainer about steady. Best D1's 4-6usc easier, below best 5-8usc easier, good medium steady -3usc easier, medium steady -4usc easier and plainer steady -2usc easier.

Demand: Pakistan packers lead the market supported by Egypt, UK and Russia. Yemen and Sudan were maintained while Kazak and Bazar were slower as Afghan sits on the fence. Somalia was slower for their usual secondaries.

Weather: EoR –Moderate to heavy rainfall continued across this region but slightly declined towards the end of the week. Bright and sunny weather prevailed in the morning with intermittent overcast conditions, accompanied by rain in the evenings. WoR –Heavy showers continued in the larger part of this region during the past week, usually overcast in the evenings and bright in the morning. Crop intake EoR was above seasonal levels and WoR crop remained high.

MALAWI:

Auction: BP1 Good demand for the well-made types at 2usc dearer. PF1sc good demand at steady to 2usc dearer rates following quality. PF1 Seedling good demand at 1usc easier rates. PF's neglected. PD's fairly good demand at 1-3usc easier rates, D1's strong demand for the well-made types at up to 13usc dearer rates. Offgrade fngs the few clean sorts were a cent dearer while the balance was neglected.

Weather: In Mulanje, it rained almost daily with showers experienced throughout the week, apart from Friday 31st of January whereby the region experienced some much-needed periods of sunshine. In Thyolo, there were 2 days with no rain and the rains that were experienced happened to be much lighter than those in Mulanje.

SRI LANKA

Auction: High Grown–Good demand. Western BOP best 5-8usc dearer, below best 5usc dearer and plain 2-3usc lower. Western BOPF best 3-5usc dearer, below best 2-3usc dearer and plain 2usc dearer. N. Eliya BOP 2-3usc lower and BOPF 3-5usc lower. Uva/Udapussellewa BOP 2-4usc dearer and BOPF 3-5usc dearer. Low Grown –Fair demand. OP1 select best firm, best 5-10usc dearer, below best 5usc dearer and bottom 10-15usc dearer. BOP1 select best firm, best firm, below best 5usc lower and bottom 5-10usc dearer. OP select best firm, best 5usc lower, below best 5-10usc dearer and bottom 5-10usc dearer. OPA select best 5usc lower, best 5-10usc lower, below best 5-10usc dearer and bottom 5-10usc dearer. Pekoe 1 select best and best 5usc lower, below best and bottom firm. Pekoe select best 5-10usc lower, best 5usc lower, below best and bottom firm. FBOP/FBOP1 all-round firm market. FF1 all around 5usc lower. FF all round 5-10usc lower. BOP all round 5-10usc lower and BOPF all-round firm. Tippiies/specials all around firm. Off grades–Liq. Fgs all around firm. Low Grown Fgs firm. BP firm and BM better sorts firm and others 5usc dearer. BOP1A firm. Dust-High Grows/Liq. primary better sorts firm and others firm–10usc lower. Secondaries firm. Low Grown better sort's firm–15usc dearer and others 10usc lower.

Demand: High Grown/Mid Grown –There was good demand 1.4million kilograms of tea on offer. Unilever was active, along with buyers on behalf of China, UK, the Continent, Russia, North America, UAE, Japan and Hong Kong. Low Grows -There was a quantity of 2.6million kilos on offer this week, with fair demand. Saudi Arabia was operating, along with buyers on behalf of Russia, Iraq, Libya and the UAE. Iran was less active along with Syria and Turkey.

Weather: All planting districts have reported bright, dry weather over the last week. This dry spell is having an impact on the crop and reports coming through is that the crop intake continues to be modest.

INDONESIA

Auction: Java orthodox –improved demand, BOP1 steady, BOP firm, BOPF firm, PF firm, dust irregularly steady from 2usc easier–6usc dearer, BT irregularly steady-3usc dearer, BT2 steady, PF2 steady, D2 irregularly steady from 2usc easier-2usc dearer. West Sumatra –Fair demand. BOP1 N/A, BOP N/A, BOPF firm, PF neglected, Dust steady, BT firm, BT2 firm, PF2 firm, D2 firm, D3 firm, BP firm, BP2 N/A. Java CTC –less demand. BP1 West withdrawn and east withdrawn, PF1 west neglected and east withdrawn, PD west firm and east firm, D1 West neglected and east neglected, Fngs West firm and east withdrawn, D2 west steady -5usc easier, east withdrawn, F2 west N/A and east N/A.

Weather: Java—Mostly cloudy with lots of rains reported in most tea regions. In Sumatra similar conditions were reported.

INDIA

Kolkata

Auction: CTC -fair demand. Cleaner well-made Assams meeting with good competition at barely steady rates, remainder browner fibrous sorts tending easier and seeing heavy withdrawals. Orthodox –Market opened to fair demand at lower levels. Clean, well-made and earlier whole leaf and larger brokens on offer irregular around last, similar smaller brokens irregularly lower. Remainder browner, stalkier and end season sorts seeing reduced demand and also witnessing withdrawals, particularly on the smaller brokens.

Guwahati

Auction: CTC –less demand. All sorts were 3-5usc easier with some withdrawals.

Coonoor

Auction: CTC –marginally better demand. Best liquoring sorts saw good demand, good and better medium teas absorption was better at lower levels to last; medium categories met with fair demand, plainer teas had good general demand. Orthodox –selective fair demand. Select primary whole leaf grades sold at easier levels whilst others witnessed a barely steady market, broken grades continued to decline with fair amount of teas unsold and few primary fannings held levels whilst others declined. CTC dust –Brighter teas dearer by 3-5usc sometimes more, good and better medium easier by 2-3usc with better off take than last, medium teas showed a downward trend with slightly higher absorption rate, plainer teas were irregular and lower to last.

Cochin

Auction: Orthodox –weak demand. Select Nilgiri teas sold at easier levels, medium teas saw heavy withdrawals with the limited whole leaf and brokens selling at substantially lower levels. CTC –All teas barely steady. Dust popular and good liquoring medium firm at and times dearer following quality, remainder irregular and lower by 2usc.

Coimbatore:

Auction: Leaf –fair demand. Good liquoring brokens steady, fannings fully firm, medium teas easier by 2-3usc and plainer sorts lower by 1-2usc. Orthodox –Whole leaf firm and remainder lower and facing withdrawals. Dust –Good liquoring PD's irregularly lower whilst the finer grades sold at firm levels, medium sorts easier by up to 2usc, plainer teas barely steady.

2020, Week 05

Tea Market Report from 27 to 31 January 2020

Kenya: The fourth auction of the year 2020 represents the largest auction since records began. There were a total of 212'779 packages on offer and it was met with good general demand and impressive absorption, despite the bearish trend echoed before the sale. The auction closed with 11.4% out lots compared to 6.3% the previous week and the all average hammer price only shed 6usc, to close at 2.12usd, which is remarkable considering the colossal quantum of tea on offer. Additionally, the December crop figure was released at 50.65 million kilos, meaning the year ended with a total of 458 million kilos, a 34.14 million kilo deficit compared to 2018, which holds the all-time record.

Malawi: This week's auction saw the absorption rate drop from an impressive 84.42% to 74.76%. This can be partially owed to a higher percentage of Non-Rainforest Alliance certified teas on offer, which do not interest the majority of buyers. Thus, the all average price dropped from 144.28usc to 132.21usc.

Indonesia: In this week there was lower demand for the 8'480 packages on offer with 35% remaining unsold. General price trends indicated Java/Sumatra orthodox teas were selling at steady to easier levels, except for Better Java Gardens. CTC descriptions exhibited steady to slightly easier demand with many withdrawals.

Sri Lanka: The upcoming auction quantities have signified a tail off in production as a result of the dry weather, with the Low Grown regions being particularly impacted. Yet, the reduction of supply in the forward sales suggests a continued forceful market for all sectors. In fact, the weekly sale average for sale number 4 is 3.30usd per kg, which is considerably higher than corresponding sale of 2019 which sat at 3.24usd per kg, thus, the strong demand experienced during the New Year is likely to continue.

North India: Clean Black Dooars and Cachar teas continued to meet good demand at firm levels. The yearly crop figures for 2019 were released and reached 1389.7 million kilograms, a 51.1million kilogram increase over the previous year. South India, a 4% increase in tea production was recorded for 2019.

Crop figures (in m.kg)

	Dec 19	Dec 18	Variance	Jan-Dec 19	Jan-Dec 18	Variance
Malawi	4.98	6.35	-1.37	48.19	50.59	-2.4
Kenya	50.66	51.83	-1.17	458.85	493	-34.15
India	67	55.5	11.5	1389.7	1338.6	51.1
	November 19	November 18	Variance	Jan-Nov 19	Jan-Nov 18	Variance
Malawi	1.12	1.41	-0.29	43.2	44.2	-1.0
Sri Lanka	21.9	24.7	-2.8	278.1	277.6	0.5

Upcoming auction quantities (pkgs)

	Week 6	Week 7	Week 8
Mombasa	212'580	189'950	202'779
Blantyre	7'240	8'860	N/A
Colombo	5'80m kgs	5'66m kgs	N/A
Jakarta	11'140	N/A	N/A
Kolkata	176'471	159'986	N/A
Guwahati	173'816	163'653	N/A

KENYA

Auction: Best BP1's steady to 10usc easier, below best 8-10usc easier, good medium firm-3usc up, medium 5-10usc easier and plainer steady-easier. Best PF1's up to 8usc dearer, below best 4-10usc dearer, good medium 2-5usc dearer, medium steady-4usc easier and plainer irregularly firm. Best PD's firm-10usc dearer, below best 5-10usc dearer, good medium irregularly firm, medium 4-7usc easier and plainer steady-5usc easier. Best D1's steady-easier, below best 4-8usc easier, good medium firm-2usc dearer, medium 3-6usc easier and plainer irregularly steady-easier.

Demand: Pakistan packers were forceful followed by Bazar and Afghan. Egypt had improved activity while Kazak, Sudan and Yemen were steady. Russian was selective while Somalia was steady for their usual secondaries.

Weather: EoR –The majority of parts in the region experienced sunny periods throughout the week, until towards the end of the week where it became more overcast, with scattered light rains. WoR –The general trend for the region was characterized by sunny mornings and transitioned to showers in the afternoon. Crop EoR improved and WoR crop harvest remained high.

MALAWI

Auction: BP1 Good demand for the well-made types at 2usc below valuations. PF1sc good demand at steady to 5usc easier rates. PF1 Seedling good demand at 1-2usc easier rates were sold. PF's neglected. PD's neglected, steady where sold, D1's very good demand particularly for the neat black leaf on offer at 5-17usc above valuations. Off grade fngs good demand at last week's levels and off grade dust good demand up to 5usc below valuations.

Weather: Mulanje: The previous week of rain was followed by heavy rains on Monday and Tuesday, which then transitioned into sunny conditions for the rest of the week. In Thyolo rains were very heavy with the daily range of 14-155mm.

SRI LANKA

Auction: HG –Fair demand. Western BOP best 5-10usc dearer, below best 3-5usc dearer and plain 5usc dearer. Western BOPF best 10usc dearer, below best 5usc dearer and plain5-10usc dearer. N. Eliya BOP irregular and BOPF 2-3usc lower. Uva/Udapussellewa BOP 5-8usc dearer and BOPF 5-10usc dearer. LG strong demand. OP1 select best 10usc lower, best 10usc dearer, below best 10usc dearer and bottom10-20usc dearer. BOP1 select best firm –5usc dearer, best 10usc dearer, below best firm and bottom 20usc dearer. OP select best firm, best 5usc dearer below best 20-25usc dearer and bottom 20usc dearer. OPA select best firm, best firm, below best 20-25usc dearer and bottom 20usc dearer. Pekoe 1 selects best, best, below best and bottom all firm. Pekoe select best 5usc lower best steady-5usc lower, below best firm and bottom10-20usc dearer. FBOP/FBOP1 all-round firm market. FF1 all round 5-10usc lower. FF all round 5-10usc lower. BOPall round 5usc lower and BOPF all-round firm. Tippiess/specials all around firm. Off grades–Liq. Fgs all around firm. Low Grown Fgs select best 10usc lower others firm. BP best firm to last and bottom 30usc dearer. BM best and below best 20usc dearer, and bottom 30usc dearer. BOP1A better sorts firm and below best and bottom 10usc dearer. Dust-High Grown/Liq.primary better sortsfirm-10usc dearer and others firm–10usc lower following quality. Secondary's firm-10usc lower. Low Grown better sorts firm-15usc lower and others 13-20usc lower.

Demand: High Grown/Mid Grown –There were 1.6 million kilograms of tea on offer, with a range of brighter improved Western BOP/BOPF appreciating in price following quality. Unilever was active, along with South Africa, UK, Japan, Hong Kong, China, North America and a few Middle East out markets. Low Grown -There was a reduced quantity of 3.2 million kilos on offer this week, with strong demand. Saudi Arabia was forceful along with Iraq, Libya, Syria, Turkey, UAE and other Middle East out markets. Weather–Bright and dry conditions were reposted in the western and Nuwara Eliya regions, whilst the Uva/Uda areas received some intermittent showers. In the Low Grown districts, dry weather prevailed throughout the week.

INDONESIA

Auction: Java orthodox –improved demand, BOP1 firm-11usc dearer, BOP firm, BOPF steady, PF irregularly steady from 7usc easier-4usc dearer, dust irregularly steady-2usc dearer, BT steady-3usc easier, BT2 steady-4usc easier, PF2 firm-7usc dearer, D2 firm-3usc dearer and D3 steady. West Sumatra –Less demand. BOP1 N/A, BOP N/A, BOPF Neglected, PF Withdrawn, Dust firm, BT withdrawn, BT2 neglected, PF2 neglected, D2 firm, D3 firm, BP neglected, BP2 N/A. Java CTC -Fair demand. BP1 West withdrawn and East withdrawn, PF1 West firm and East steady-4usc easier, PD West firm and East neglected, D1 West Firm and East neglected, Fngs West firm and East neglected, D2 West firm-4usc dearer, East firm, F2 West N/A and East N/A.

Weather: Java–partly cloudy with heavy rains during the afternoon and in Sumatra regular rains were reported in all regions.

INDIA

Kolkata

Auction: CTC -fair demand. Selected Assams maintaining quality selling readily, remainder irregularly easier with browner teas seeing some withdrawals. Orthodox –Market opened to fair demand. Select few tippy teas on offer readily absorbed. Clean, well-made whole leaf irregular around last, similar larger brokens irregular and at times tending lower with smaller brokens selling at irregularly lower rates. Remainder browner, stalkier end season sorts seeing less demand and witnessing withdrawals, particularly on broken grades.

Guwahati

Auction: CTC –less demand. Teas seen are selling irregularly easier around last.

Coonor

Auction: CTC –reduced demand. Best liquoring sorts met with fair demand, good and better medium teas saw a large proportion withdrawals, medium category bolder fanning's were irregular with select lots appreciating with others steady, other grades met restricted enquiry with lots remaining unsold, the plainer teas had fair demand. Orthodox –Continued selective demand. Select primary whole leaf grades at steady levels, broken types continued to ease, with a large proportion remaining unsold. Few primary fanning's held levels, whilst others declined. CTC dust –brighter teas firm at last levels, good and better mediums easier by 3-4usc, mediums easier and plainer irregular around last levels. Orthodox dust –Primary BOPD's continued easier, remainder barely steady, secondary's irregular at last levels.

Cochin

Auction: Orthodox –lessdemand. Select Nilgiri teas sold at lower levels in line with quality, medium whole leaf and clean broken around last and at times lower. Heavy withdrawals on smaller broken, fannings and secondary's. CTC –All teas barely steady. Dust –Select few popular and best teas selling around last, others barely steady and tending 1-2usc easier at times.

Coimbatore

Auction: CTC leaf –fair demand. Better liquoring teas easier by 2-3usc, with bolder broken facing withdrawals, medium broken easier by 2-3usc, fannings barely steady, plainer teas lower by up to 2usc. Orthodox –Whole leaf dearer by up to 3usc, remainder lower. Dust –Better liquoring PD's appreciated by up to 6usc, finer grades fully firm, medium sorts irregularly lower with quality, plainer sorts eased by 1-2usc with some finer grades facing withdrawals.

All price movements quoted in USD per kilo

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