



Week 13, 2018

Tea Market Report 26 - 30 March 2018

In Mombasa, a larger 133,419 packages went under hammer this week compared to the 123k that were offered last week, and still ahead of the upcoming two weeks. The auction opened with lively buying activity, but things softened towards close. Large packers dominated the auction, and anything that these buyers showed interest in sold well. KTDA PF1s generated the most interest, while plainer Egypt PD types generated the least and were heavily discounted. Weather conditions are optimal, and crop ahead looks to be on the up and up. In Malawi, fairly good demand kept the absorption rate high, while most teas which were picked up sold around last. Clean offgrade fannings were an exception, which gained up to 7cts. Hot, cloudy and consistent but light rainfall is supporting healthy crop intake.

The market in Colombo put on a show this week, as the recent slower market took a massive upwards turn this week. Low grown demand was the star of the show, particularly small Pekoe's. Prices moved up further from last week's high levels. OP/OPA from top to bottom moved up sharply. Russia, Turkey, Libya and Iraq were the largest market players. Low grown teas were not the only show stopper, off grades took off like a bullet, again courtesy of Russia and Iraq. Good rainfall continues to be reported in most planting districts, and the much-needed supply is expected to be on its way. In Jakarta, fair demand took place, and overall outlots reduced from the previous weeks to a 20% level. In the North of India, a small sale of 5k packages took place in Guwahati, while Kolkata had no auction this week. In the South, the Cochin market was closed due to holidays, while in Coimbatore and Coonoor good demand was a clear trend with most teas making small gains. In Vietnam the Spring season has concluded in low grown areas, while high grown areas will start in the next 2-3 weeks. In general, the main tea season is expected to start in the first half of May in the North, while the Middle and South expects a start from mid-May. Continuous weather changes complicate the seasonal predications. Volume is expected to decrease 10% in 2018, a consequence of machine plucking with deep cutting, but farmers are motivated to improve on their volumes which were down in 2017 from 2016.

"The biggest risk is not taking any risk... In a world that is changing quickly, the only strategy that is guaranteed to fail is not taking risks." – Mark Zuckerberg

Crop figures (in m.kgs)

	Feb-18	Feb-17	Jan-Feb 18	Jan-Feb 17
Sri Lanka	21.1	18.6	45.6	40.3
	Jan-18	Jan-17		
Sri Lanka	24.3	21.7		
Kenya	40.8	33.0		
Malawi	6.3	5.2		

Upcoming auction quantities (pkgs)

	Week 14	Week 15	Week 16
Mombasa	126,598	129,007	130,302
Blantyre	6,340	5,020	N/A
Colombo	6.43 m.kg	6.71 m.kg	N/A
Jakarta	10,100	N/A	N/A
Kolkata	20,464	N/A	N/A
Guwahati	5,916	N/A	N/A

KENYA

Auction – Improved general demand. Best BP1 steady to 5cts easier with select lines firm, below best 5-10cts easier with select lines firm to dearer, good medium irregularly steady, medium firm to dearer, plainer types irregularly firm. Best PF1 up to 5cts easier, below best firm to dearer, good medium firm to 8cts dearer, medium firm to 10cts dearer, plainer types irregularly steady to easier. Best PD up to 5cts easier, below best 5-8cts easier, good medium 3-8cts easier, medium 5-12cts easier, plainer types up to 20cts easier. Best dust up to 8cts easier, below best 7-12cts easier, good medium up to 8cts easier, medium steady to 15cts easier, and plainer types up to 20cts easier.

Demand – Strong and dominant activity from Pakistan packers with Afghan more active and Bazaar subdued. Sudan, Yemen, UK and Somalia were more active while interest from Egypt, Kazak and Russia was maintained. Iran was less active.

Weather – East of Rift – rains have subsided but growing conditions remain good, cold nights. crop increasing. West of Rift – Kericho – more rain, sunny days and cold nights, crop increasing. Sotik- maintained rains and improved growing conditions.



MALAWI

Auction – Fairly good demand. BP1 met good demand. PF1 Sc neglected, few lots on offer sold at firm rates. PF1 Seedling met fairly good demand steady to 2cts easier. PF good demand, dearer. PD one lot on offer taken out under bid. Dust taken out under bid, just one lot sold 3cts easier. Offgrade fannings poorer types sold full firm, cleaner types gained up to 7cts. Offgrade dust 5cts easier.

Weather - Partly cloudy and hot weather conditions continued with both Thyolo and Mulanje receiving some useful rains. Crop intakes remains high.

SRI LANKA

Auction – Excellent demand for low grown, less demand for high grown. HG – Western BOP firm to 15cts lower, BOPF all round 30-40cts easier. N.Eliya BOP/BOPF similar trend to Western BOP/BOPF. Uva/Udapussellewa BOP firm, BOPF firm to 20cts easier. LG - OP1 select best firm, best 10-15cts easier, below best 15-20cts lower, bottom firm. BOP1 select best 10-15cts lower, best 5cts easier, below best and bottom firm. OP all round up 15-20cts. OPA select best 10-15cts lower, others 15-20cts dearer. Pekoe 1 select best 10cts easier, best and below best up 20cts, bottom up 25-30cts. Pekoe select best up 20cts, best 20-25cts dearer, below best up 10cts, bottom 10cts easier. FBOP/FBOP1 best 10cts easier, below best and bottom firm, FF1 all around firm, FF best and below best firm, bottom 5-10cts dearer. Best BOP up 10cts, others firm. BOPF best and below best firm, bottom up 10cts. Tippiess/specials best firm, below best and bottom up 5-10cts. Off grades - Liquoring fannings best 20cts easier, below best 10-15cts easier, bottom firm. Low grown fannings all around up 40-45cts. BP all around 10cts dearer. BM all dearer, best up 20cts, below best and bottom 45cts. BOP1A select best up 10cts, best and below best 20cts easier. bottom 30cts dearer. Dust - high grown/liquoring primary better sorts firm to 15cts easier, others 20cts easier. Secondaries all around 10cts easier. Low grown better sorts 10-15cts easier, others firm to 10cts easier.

Demand – Turkish beta and bazaar extremely active. Saudi Arabia, Dubai and Russia all active. Iraq and Libya extremely strong demand. Hong Kong less demand. Japan improved demand. North America slow. Pakistan and Syria out priced.

Weather – Western, Uva, Udapussellawa regions experienced bright weather while Nuwara Eliya region had bright weather with isolated showers later in the week. Low Grown - Ruhuna and Sabaragamuwa experienced bright weather.

INDONESIA

Auction - There was fair demand for 8,400 packages with 20% remaining unsold. Prices for Java orthodox/CTC were slightly dearer except for orthodox BOP/PF2 and CTC BP1/D2. North Sumatra orthodox was firm to dearer and West Sumatra Orthodox continued steady to easier with many withdrawn.

Weather – Java – continuing from last week, mixed weather was reported in West Java, bright in the morning hours then cloudy with irregular showers in the late afternoon. Improved sunshine was report as well in Java. Continued regular showers in Central and East. Sumatra - mixed weather was reported.

BANGLADESH – No auction.

INDIA

Kolkata – No auction.

Guwahati – No report, small auction at 6,521 packages.

Siliguri - No report.

Coonoor – CTC met good demand. Best and good liquoring types irregular, mediums steady to 2-3cts dearer, plainer teas barely steady to occasionally easier, improved demand for bolder grades. Orthodox whole leaf grades dearer with quality, remainder easier. CTC dust met good demand, best liquoring category irregular and lower with quality, good and medium varieties steady to 2-3cts dearer, plainer types steady, bolder grades 4-5cts dearer. Orthodox dust primary BOPD's firm, secondaries easier with some withdrawals.

Coimbatore

Auction – CTC met with strong demand. Good liquoring types fully firm, mediums irregular, plainer types appreciated with quality. Orthodox met good demand for the limited quantity on offer at fully firm levels. CTC dust met good demand, best types gained 2-3cts, medium sorts eased 1-2cts with quality, plainer types fully firm sometimes dearer. Orthodox dust met good demand at firm rates.

Cochin

Auction – No sale.

All price movements quoted in USD per kilo.

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