



Week 17, 2018

## Tea Market Report 23 - 27 April 2018

With ever increasing auction figures, one would expect a market to ease in a straight line. It did not happen in Mombasa where all PF1s traded firm to dearer without any exception. Because most other grades experienced a softer market, the general trend was downwards. In the end 15% of the teas remained unsold while Cargill again took the number one position at the buyers list. In the meantime, the rains are doing their job, pouring water over the tea growing areas. Most tea estates are using a 6-day plucking cycle and tea factories are running on full capacity.

In Malawi the end of the season is near. Looking in the rear-view mirror, this week's published March crop was good. No record but with 7.7 mkgms one of the better March crops, also the YTD crop of 20.8 m kgs belongs to the top 5 largest crops in Malawi. Currently crop is on the decline due to increasing pruning operations, nevertheless most tea growing areas still receive regular rains.

After a week of absence, an auction in Colombo took place. HG teas met good demand whilst LG teas met fair demand. This week's published March crop figure is better than last year's, also the YTD crop figure shows a healthy crop in the first 3 months with an increase of 11%. Main destinations for Sri Lankan tea in March were Iraq, Russia and Turkey. All 3 destinations took more than in March 2017. Current weather conditions are conducive for growing tea. Bright weather combined with regular evening showers were reported. There wasn't an auction in Indonesia this week. Due to internal restructuring between the KPB & PTPN. In North India as well as South India there are favorable conditions for growing tea, the North is receiving heavy pre-monsoon rains whilst the South is experiencing sunny weather with some rains. In Vietnam the first proper plucking round is near, and the weather continues to be supportive. The market is active for the very limited amount of tea available. In Argentina the end of the season is nearing with producers doing their last plucking rounds. There is tea left to sell albeit these appear to be usual off season quantities.

"In the middle of difficulty lies opportunity." – Albert Einstein

### Crop figures (in m.kgs)

	March-18	March-17	Jan-March 18	Jan-March 17
Sri Lanka	28.5	26.6	74.2	66.56
Malawi	7.7	7.1	20.8	19.4

### Upcoming auction quantities (pkgs)

	Week 18	Week 19	Week 20
Mombasa	161,933	163,252	N/A
Blantyre	6,020	6,180	N/A
Colombo	4.67m.kgs	7.37m. kgs	N/A
Jakarta	12,140	N/A	N/A
Kolkata	84,500	97,179	N/A
Guwahati	74,568	70,213	N/A

### KENYA

**Auction** – Fair general demand. Best BP1's steady to 8cts easier, below best up to 15cts easier, good medium up to 10cts easier, medium irregularly steady to easier, plainer steady to 10cts easier. Best PF1's firm to 5cts dearer, below best firm to dearer, good medium 3-7cts dearer, medium firm to 15cts dearer, plainer firm to 20cts dearer. Best PD's steady to 8cts easier, below best up to 10cts easier, good medium up to 5cts easier, medium 5-10cts easier, plainer 8-15cts easier with lower priced sorts firm. Best D1's 5 cents easier, below best 10cts easier, good medium up to 8cts easier, medium: irregularly steady to easier, plainer 7-11cts easier with lower priced sorts firm.

**Demand** – There was strong activity from Pakistan packers with Afghan and Egypt more active. Interest from Russia, Kazak, Sudan and Yemen was maintained but Bazar, UK and Iran were less active. Somalia supported the plainer end of the market at firm rates.

**Weather** – East of Rift – Increased rainfall. Favourable growing conditions. Crop increasing to average around 110mts on a 6-day plucking. WoR – Kericho – More rains. Sunny days and cold nights. Some hail. Increasing crop. Sotik. Maintained rains, maintained crop. Uganda – Increased rains. Warmer temperatures. Crop improving. Rwanda/Burundi – Medium to heavy rainfall. Moderate temperatures. Crop improving.



## **MALAWI**

**Auction** – Fairly good demand. BP1s trading sideways. PF1 Sc met selected demand 2cts easier where sold. PF1 Seedling fairly good demand, steady to 4cts easier rates where sold. PFs, one lot on offer was taken out under bid. PDs plainer types 9cts easier with the balance 5cts easier. D1s, 3cts easier where sold. Offgrade fanning met good demand at 3cts easier rates. Offgrade dust nominally met good competition.

**Weather** – Warm and cloudy during the day and cool to cold during the night. The rains are tailing off but some parts of the country received some heavy rains. Thyolo was relatively dry with some light showers on Monday ranging from 3-8mm [just enough to clean the dust on the factory roof] Mulanje had some scattered light to moderate rainfall during the week with totals in the ranges of 17-52mm Crop intakes declining as pruning progresses

## **SRI LANKA**

**Auction** – HG – Good demand, LG – Less general demand. HG – Western BOP better sorts firm, others firm to 10cts easier. Western BOPF select best firm, others 15cts dearer. N.Eliya BOP/BOPF all round firm. Uva/Udapussellewa BOP 10cts lower, BOPF firm to 10cts higher. LG – OP1 select best 30-40cts dearer, below best & bottom 15cts easier. BOP1 select best 30cts dearer, best firm, below best & bottom 10cts easier. OP select best & best firm, others 5-15cts dearer. OPA firm to 5-15cts dearer. PEKOE 1 select best 5-10cts dearer, best firm others 5-15cts easier. PEKOE trading 5-10cts easier except best & bottom. FBOP/FBOP1 best 5cts easier, below best 5-10cts dearer, bottom firm. FF1 up to 5cts easier, FF all-round firm, BOP/BOPF up to 5cts easier, Tippiers/Specials all-round firm. Off grades – liquoring fannings 10-20 cts. Low Grown fannings 10-20cts easier. BP firm to 15cts dearer. BM 10-15cts easier. BOP1A firm to 10cts easier. Dust – High Grown/liquoring primary firm to 20cts easier. Secondaries firm. Low Grown better sorts firm, others firm to 10cts lower.

**Demand** – Good demand coming from Iraq, Saudi Arabia, Libya with Syria & Turkey being active less demand coming from Hong Kong & Japan.

**Weather** – Western Region experienced bright mornings with regular evening showers whilst Nuwara Eliya, Udapussellawa & Uva Regions had bright weather. Low Grown – Both Ruhuna and Sabaragamuwa experienced bright mornings with regular evening showers.

## **INDONESIA**

**Auction** – No auction.

**Weather** – No report.

## **BANGLADESH**

**Auction** – The 25k packages met good demand for the first sale of the season. Well-made and clean teas met strong competition with prices moving up. Next sale 14,666packages.

## **INDIA**

### **Kolkata**

**Auction** – CTC met good demand, good assams trading higher than last year's levels. Dooars trading irregularly easier, plainer teas tending easier. Orthodox teas met good demand, bolder leaf teas trading firm while others trading sideways. Dust, better liquoring Assams trading at higher levels than last season.

### **Guwahati**

**Auction** – Good demand in the CTC market. Best and good Assams trading sideways, with 25% remaining unsold

### **Siliguri**

**Auction** – Good demand for both leaf and dust categories. Well made types trading firm to dearer, while others traded irregular, tended easier.

### **Coonoor**

**Auction** – CTC leaf: Less demand. Best liquoring varieties steady to occasionally lower. Remainder lower by 2-3c. Fannings steady to easier. Orthodox leaf: Whole leaf grades sold lower. Remainder steady to occasionally lower. CTC dust: Fair demand. All categories lower by 3-5c. Plainers were firm to occasionally dearer. Orthodox dust: Primary BOPD's were steady. Secondaries were dearer

### **Coimbatore**

**Auction** – Leaf: Reduced demand. Better and medium category lower by 3-4c with fair withdrawals. Plainers witnessed better enquiry at irregularly lower levels. Orthodox met with good demand at firm levels for the limited quantity on offer at fully firm levels. Dust: Reduced and selective demand. Better liquoring kinds easier by 2-3c with fair withdrawals. Medium sorts lower by 4c. Plainers irregularly lower. Orthodox dust met with strong demand at fully firm levels.

### **Cochin**

**Auction** – Leaf: Good demand. Select Nilgiri whole leaf and brokens sold at firm levels. Medium whole leaf and primary brokens dearer. Fannings appreciated in value. CTC teas met with fair demand. All varieties were irregular and at time lower. Dust: Demand slackened with progress of sale. Popular marks and best category teas sold in line with quality at lower rates. Mediums saw a similar trend with fair withdrawals. Plainers irregularly lower.

*All price movements quoted in USD per kilo.*

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