

Week 14, 2019

Tea Market Report 1 – 5 April 2019

In Kenya the February crop figure was lower than most expectations, considering the huge auction quantities in the last week. A “lower” crop figure is still a staggering 31.4m.kg, which is 3.5m.kg higher than 2018. This week’s auction had 172k pkgs on offer and opened on an easier note. Auction quantities are easing up, just before the fresh rain teas will enter the market. Sale 17 closed at 155k pkgs and will be the smallest auction of 2019 so far.

In Blantyre there was less demand in the auction, some main buyers even missing, but a total of 75% sold. Currently, crop is improving and we are heading toward the end of the main season. Temperatures are cooling down and less rains ahead of us. The coming two weeks we will have auctions 5.5+ pkgs on offer.

In Colombo, they witnessed again a fair demand for the Low Grown teas, as well for the small leaf grades. Despite the decent quality on offer of the High Grown teas, they again met less demand. Only the lower-end HG teas were well absorbed. The Low Grown areas didn’t see too much rain, however this doesn’t revert to lower auction quantities since there will 7m.kg on offer in the coming 2 weeks.

In Kolkata the new Dooars teas met very good demand, mostly for the domestic market, with only 25% unsold. Guwahati showed the same interest for the fresh crop and all teas selling well, except for the old season teas.

In Jakarta, there was less demand for the 10,620 packages on offer with 17% remaining unsold, mainly Java main grades. Java orthodox was selling at steady to easier rates except for selected PF/BT/PF2. On the other hand, Sumatra orthodox was selling at firm to dearer levels with primarily the local market being active. Java CTC was selling at irregular level. In Vietnam more rain is predicted in the coming week and the main tea season is starting moderately, an early season compared to the previous years.

“Rainy days should be spent at home with a cup of tea and a good book.” – Bill Watterson

Crop figures (in m.kg)

	Feb19	Feb18	Jan-Feb19	Jan-Feb18
Malawi	7.3	6.8	14.7	13.1
India	14.7	13.5	28.7	31.2
Kenya	31.4	27.9	79.8	68.9

Upcoming auction quantities (pkgs)

	Week 15	Week 16	Week 17
Mombasa	173,514	162,484	155,300
Blantyre	5,440	5,900	N/A
Colombo	6.96 m kg	7.14m kg	N/A
Jakarta	11,580	9,900	N/A
Kolkata	22,792	N/A	N/A
Guwahati	24,132	N/A	N/A

KENYA

Auction – Reduced general demand. Best BP1’s steady to 5cts easier, below best steady to 10cts easier and more for reprints, good medium irregularly steady to easier with selected quality lots dearer, medium steady to 8cts easier, plainer steady to 8cts easier with better lots firm. Best PF1’s steady to 2cts easier, below best up to 5cts easier, good medium opened steady but gained to close firm, medium firm to 4cts dearer, plainer 4 to 10cts easier. PD’s best steady to 2cts easier, below best steady to 6cts easier, good medium firm to 8cts up, medium firm to 4cts up, plainer steady to 8cts easier. Best D1’s steady to easier, below best up to 5cts easier, good medium steady to 2cts easier with selected best firm, medium irregularly steady to 6cts easier, plainer steady to 14cts easier.

Demand – Pakistan packers were active on the PF1’s where the bazar and Afghan operators were slower. Yemen and Russia buyers showed less demand while UK and Somalia were showing a steady demand. Egypt and Kazakhstan had steady interest.

Weather – Erratic rains have been reported this week in parts of Mt. Kenya region. Kericho has also been dry this week with sporadic rains reported in some areas. Sources are optimistic that good rains are expected next week. Crop production is expected to remain at low levels as the bushes continue to recover.

MALAWI

Auction – Less demand at steady irregular rates. BP1’s nominally 2cts easier. PF1’s Sc selective demand at 3-4cts easier were sold. PF1’s Seedling less demand at irregular rates. PF’s steady. PD’s continued good demand at 1cts easier rates. D1’s selective demand at 7cts easier rates. Offgrade fngs selective demand at steady to a cent easier rate. Offgrade dust 8cts dearer.

Weather – Mulanje – Sunny and dry week except on 27th when some light rains were received ranging from 3.8mm to 12mm. Night temperatures dropped to 11-18 degrees Celsius. Thyolo – as in Mulanje with light rains on 27th ranging from 2-15mm and night temperatures between 14-18degrees Celsius.

SRI LANKA

Auction – HG – Less demand. Western BOP overall 5-10cts lower. Western BOPF overall 10-15cts lower. N.Eliya BOP/BOPF overall 10-15cts lower. Uva/Udapussellewa/ BOP/BOPF overall 10-15cts lower. LG – Good demand. OP1 select best lower 10cts, best firm, below best firm, bottom lower 10cts. BOP1 select best lower 10cts, best dearer 10-15cts, below best firm, bottom firm. OP select best dearer 5-10cts, best dearer 25-30cts, below best dearer 15-20cts, bottom firm. OPA select best dearer 40-45cts, best dearer 50cts, below best dearer 10cts, bottom firm. PEKOE 1 select best firm, best 5-10cts lower, below best lower 10cts, bottom firm. PEKOE select best lower 10cts, best lower 15-20cts, below best lower 20cts, bottom firm. FBOP select best & best firm, below best bold types 10-20cts dearer and bottom firm. FF1 all-round firm. FF best and below best firm, bottom 20cts dearer. BOP firm. BOPF best firm, below best & bottom 10cts dearer. Tippiies/Specials best 20cts dearer, below best & bottom teas all-round 10-20cts dearer. Off grades - Liq. fngs primary fngs 10cts lower, below best firm, bottom firm. Low Grown fngs steady to 5cts lower. BM overall 5-10cts lower. BP firm. BOP1A select best firm, best steady to 5cts lower, below best lower 10cts, bottom firm. Dust – High Grown/Liq. Primary dust1 10-15cts lower. Secondaries steady to 10cts lower. Low Grown better sort dearer 20cts, balance 10cts lower

Demand – Russia is still only operating on selected grades, not the entire range. Turkey and North America showed less demand. Syria, Saudi Arabia, Iraq and Libya were active.

Weather – Western/Nuwara Eliya regions has seen bright weather throughout the week. Hatton sub- district experienced some mid-week evening showers and bright weather in the latter part of the week. Misty mornings are reported in the week ahead. Both Uva and Udapussellawa regions reported dry weather throughout the week. Scattered showers may occur in a few places in the Uva District. Dry weather was reported in both Ruhuna and Sabaragamuwa regions in the past week. Sabaragamuwa district will experience misty mornings, whilst extreme dry weather is expected to continue in both regions.

INDONESIA

Auction – Java Orthodox – less demand. BOP1 withdrawn. BOP firm. BOPF steady. PF irregular from 7cts easier to 5cts dearer. Dust irregular from steady to 3cts dearer. BT irregular from 5cts easier to 2cts dearer. West Sumatra – Fair demand. BOP firm to 4cts dearer. BOPF firm. PF firm to 7cts dearer. Dust firm. BT firm to 3cts dearer. Java CTC – fair demand. BP1 West firm, East N/A. PF1 West N/A, East steady. PD West firm, East firm to 5cts dearer. D1 West steady to 2cts easier, East firm to 4cts dearer. Fngs West irregular from steady to 2cts dearer, East firm to dearer.

Weather – Java – bright and sunny in the morning hours then cloudy with isolated thunderstorm followed by occasional heavy showers. Some parts in West Bandung and Jakarta witnessed some flooding during the weekend. Sumatra – regular rainfall in all planting regions.

INDIA

Kolkata

Auction – CTC – Market opened to good demand. Only Dooars new season teas on offer. Good Dooars Brokens selling between 220-240, fannings in between 200-230 depending on quality. Better Dooars BLF selling up to 170 while remainder BLF selling between 120-140 in line with quality. These levels are slightly lower than the corresponding sale of 2018. Orthodox – Opened to strong demand. All sorts readily absorbed at fully firm rates. Dust – New season only Dooars on offer. Good Dooars meeting limited enquiry and witnessing withdrawals. Old season selling in line with quality.

Guwahati

Auction – CTC – New season teas met with good demand. Best category brokens opened at levels in line with last year while the fannings were tending lower compared to the previous year. Medium and plainer categories also following a similar trend with the fannings tending dearer at times. Dust – New season teas met with good demand. Good and best category opened at levels lower than last year. Medium and plainers followed a similar trend.

Coonoor

Auction – CTC leaf – reduced demand. Less demand for the best liquoring category which faced heavy withdrawals, good teas were easier by 3-5cts. Medium and plainer sorts steady to occasionally dearer up to 2cts. Orthodox leaf – fair demand. Select whole-leaf grades dearer, remainder steady to easier. Better demand for fannings which was dearer. CTC dust – fair demand. Best liquoring teas irregular and tending easier, good and medium teas steady to easier up to 2cts, plainer types steady. Orthodox dust – good demand. Primary BOPD's easier, remainder dearer, secondary teas steady.

Cochin

Auction – Orthodox leaf – fair demand. Select best Nilgiri teas eased in value. Medium whole leaf and primary brokens firm, secondary teas lower with fair withdrawals, fannings around last. CTC leaf – fair demand. All varieties 2-3cts lower. Dust – fair demand. Select good and popular marks firm and occasionally dearer, other teas irregular and lower 1-3cts. Medium teas irregular around last, plainer teas ruled firm to dearer.

Coimbatore

Auction – CTC leaf – fair and selective demand. High priced bolder grades dearer by 1-2cts, fannings facing withdrawals. Medium teas firm, plainer varieties dearer. Orthodox leaf – fair demand for limited weight on offer. CTC dust – fair demand. Select better liquoring teas dearer with quality, remainder teas firm. Medium kinds firm to occasionally dearer by 1-2cts. Orthodox dust – good demand at around last levels.

All price movements quoted in USD per kilo.

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