

Week 18, 2019

Tea Market Report 29 April – 3 May 2019

In Mombasa the strong demand prevailed for the 2nd week with all grades on offer appreciating. Towards the end of the auction demand eased off due to the brokers who insisted on higher valuations, leading to an increased outlot figure. The March production figures show a decrease to 26.5m. kgs compared to 31.0m. kgs during March 2018 due to the delayed long rains. The most affected region was the West of Rift where production dropped by 9%, East of Rift production only decreased by 0.7%. Because of the very high production figures during Jan-Feb, cumulative production for the 1st quarter is 6.5% higher compared to 2018. The export figures in March increased by 25% in comparison to the same period last year, giving a total of 44.7m. kgs shipped to 43 countries with Pakistan in the lead with 39% of the total volume. Coming auction volumes have dropped massively but with the rains pouring down, cropping and auction volumes should gradually increase in the coming weeks.

Apart from enhanced rainfall near lake Malawi, there was no significant impact of cyclone Kenneth in Malawi. The weather remains hot and sunny while the crop intake is seasonally dropping, and pruning is progressing. The auction attracted a good interest with a healthy absorption rate of abt. 75%.

In Sri Lanka, the situation is slowly but surely improving with many precautions taken to ensure the safety of its people. After last week's strong demand for the High Grown varieties, the market slowed down and almost all HG categories followed an easier trend. The LG market showed a moderate demand with select best BOP1's and OP1's eased whilst other categories held firm. With most planting districts having conducive cropping weather, the sale offerings remain very healthy around 7m.kgs.

In southern India, the weather remains sunny and hot up to 30 degrees while the crops remain low. In the auction room there was a good demand for the Orthodox varieties and CTC types were not creating too much attraction. In northern India, people have been preparing for cyclone Fani, which made landfall near Puri and is expected to follow its way through Kolkata to Bangladesh. Continued to last week, in Jakarta the auction was running with uncompleted participants due to outstanding issues. Even though the market was easier, brokers kept asking their high limits. They are holding out and not closing if the bids don't meet their limits. As a result, there was less demand for 8,780 packages with 27% remaining unsold. Rains and very warm weather are being received in Vietnam. In the northern areas, plucking is in progress and due to the early warm weather plucking in the middle areas is likely to start soon.

"You shall, I question not, find a way to the top if you diligently seek for it; for nature hath placed nothing so high that it is out of the reach of industry and valor." – Alexander the Great

Crop figures (in m.kg)

	March19	March18	Jan-Mar 19	Jan-Mar 18
Kenya	26.5	31.0	106.3	99.8
Malawi	6.4	7.7	21.2	20.8
	Feb 19	Feb 18	Jan-Feb19	Jan-Feb18
India	14.7	13.5	28.7	31.2

Upcoming auction quantities (pkgs)

	Week 19	Week 20	Week 21
Mombasa	125,111	115,119	120,396
Blantyre	5,440	4,780	N/A
Colombo	6.59m kg	7.08m kg	N/A
Jakarta	8,780	8,460	N/A
Kolkata	83,004	103,834	N/A
Guwahati	109,066	106,689	N/A

KENYA

Auction – Strong demand. Best BP1's firm to 6cts dearer, below best irregularly firm to dearer following quality, good medium firm to 8cts up, medium 8 to 24cts up, plainer 8 to 15cts up and more for selected lots. Best PF1's up to 14cts up, below best 6 to 12cts up, good medium 6 to 14cts up, medium 6 to 10cts up, plainer 8 to 16cts up and more for improved lots. Best PD's up to 80cts up and more, below best up to 76cts dearer, good medium up to 64cts up, medium 12cts up, plainer 8 to 15cts up. Best D1's up to 24cts up, below best up to 34cts up, good medium 8 to 14cts up, medium 8 to 20cts up, plainer 6 to 15cts up and more for improved lots.

Demand – Pakistan and Afghan buyers were very active at the beginning. UK and Yemen showed a strong interest in selected sorts. Russia showed a strong demand for all PF1's while Kazakh and Sudan buyers maintained a strong demand.

Weather – Rains continue to pander over all tea growing areas. Showers on the western side of Mt. Kenya seem to be less compared to the east. Cropping is expected to gradually increase in next 3-4 weeks.

MALAWI

Auction – Good demand. BP1 nominally steady. PF1 Sc continued good demand at 8-11cts dearer following quality. PF1 Seedling well-made types met good demand at steady to 4cts dearer while plain sorts met selective demand with some lots taken out without bids. PFs none on offer. PDs well-made sorts met continued good demand at last week prices while the poor descriptions were neglected. D1s good demand at 2-3cts easier rates. Offgrade fngs taken out under bids. Offgrade dust firm to 12cts dearer.

Weather – Mulanje – sunny and hot till the weekend when some heavy rains were received on both Saturday and Sunday ranging from 12-45mm per day and the two-day total was between 47-89mm. Thyolo – sunny and hot till the weekend when light rainfall was received on Saturday and Sunday ranging from 4-16mm with two-day total ranging from 14-25mm.

SRI LANKA

Auction – HG – less demand. Western BOP overall 2-4cts lower. Western BOPF overall 3-5cts lower. N.Eliya BOP/BOPF overall 2-4cts lower. Uva/ Udapussellewa BOP/BOPF overall 5-10cts lower. LG – moderate demand. OP1 select best 45cts lower, best firm, below best firm, bottom 10cts dearer. BOP1 select best 20cts lower, best firm, below best firm, bottom 5-10cts dearer. OP select best 15cts lower, best 10cts lower, below best firm, bottom 10cts dearer. OPA select best 15cts lower, best 10cts lower, below best firm, bottom 10cts dearer. PEKOE 1 select best 20cts lower, best 15-20cts lower, below best 10cts lower, bottom firm. PEKOE select best 20cts dearer, best firm, below best 10cts lower, bottom firm. FBOP select best lower 10cts, best & below best firm, bottom firm. FF1 All-round firm market. FF best & below best 20-30cts dearer, bottom 15cts dearer. BOP firm market. BOPF best firm, below best & bottom 5cts lower. Tippiies best 30cts dearer, below best & bottom teas all-round 15cts dearer. Off grades - Liq. Fngs best steady to 5cts lower, balance firm. Low Grown fngs best fngs 15-20cts dearer, balance steady to 5cts lower. BP overall 5cts lower. BM overall 5cts lower. BOP1A select best 10cts lower, best 10cts lower, below best 5cts lower, bottom 10cts dearer. Dust – High Grown/Liq. Primary all-round 20cts dearer. Secondaries firm to 10cts lower. Low Grown firm market.

Demand – Less demand from Turkey, Syria and Iran. Dubai, Libya and Hong Kong showed a fair interest and Iraq and Saudi Arabia were very active.

Weather – Western/Nuwara Eliya regions – Erratic weather was reported with bright mornings and dull, rainy evenings. Uva/Udapussellewa – bright mornings and heavy evening showers during the last part of the week. Heavy showers are expected in the coming week. Low Grown – Sabaragamuwa and Ruhuna reported bright mornings with evening showers. Heavy rainfall up to 100mm is expected in the week ahead.

INDONESIA

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

Weather – Java – Cloudy with isolated thunderstorms with heavy showers in the afternoon/night. The intensity of the rains was increasing this week which caused some flood in some districts. Sumatra – regular showers have been reported with overall lower precipitation levels with the heaviest rains in the southern parts. Some districts in the province of South Sumatra witnessed flooding's.

INDIA

Kolkata

Auction – CTC – Market opened to fair demand. Selected better liquoring Assams selling well. Remainder irregularly easier. Dooars tending irregularly easier following a decline in quality. A total of 68% have been sold. Orthodox – strong demand with 95% sold. Clean whole leaf grades were up to 10cts dearer whilst the bolder varieties were fully firm. Flowery brokens up to 30cts dearer for the better sorts, smaller brokens and leafy fannings sold at fully firm levels. Darjeeling – good general demand. Flavoury whole leaf grades sold between 18-20USD, below best between 14-18USD. Very few lines of brokens and fannings sold. Dust – market opened to poor demand. All sorts selling at easier levels and witnessing heavy withdrawals.

Guwahati

Auction – CTC – Fair demand. All sorts selling irregular around last.

Coonoor

Auction – CTC leaf – less demand. Best liquoring teas steady to occasionally easier up to 2cts with fair withdrawals. Clean black plainer teas firm, remainder facing withdrawals. Orthodox leaf – good demand. Primary whole leaf grades steady to dearer on quality, remainder tending easier with some withdrawals. CTC dust – better demand. Best liquoring teas steady to easier, good sorts steady to dearer up to 3cts, mediums easier 2-3cts, with some withdrawals. The plain category firm to dearer up to 2cts. Orthodox dust – good demand. Primary BOPD's steady to dearer, remainder irregular tending easier. Secondary teas easier and facing fair withdrawals.

Cochin

Auction – Orthodox leaf – fair demand. Select best Nilgiri teas settled around last and at times lower. Medium whole leaf firm, remainder lower particularly the secondary types. Fannings firm. CTC leaf – good demand. Liquoring brokens around last, mediums and plainer teas lower. Dust – good demand. Few good and popular sorts generally maintained, remainder



irregular and lower with quality by 1-2cts. Mediums followed the same trend, plainers barely steady, blacker bolder types firm to dearer.

Coimbatore

Auction - CTC leaf - fair and selective demand. High priced teas irregularly lower, medium and plainer broken types easier by 2-3cts while fngs were firm. Orthodox leaf - whole leaf firm, remainder lower. CTC dust - fair demand. Better liquoring varieties irregular and at times easier following quality with some teas out listed. Medium kinds around last levels, plainer teas lower by 1-2cts.

All price movements quoted in USD per kilo.

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