

Tea Market Report 19 – 23 August 2019

Again a week of strong demand in Mombasa with the off season is at its peak at the moment. Demand was strong across the board with a smallish 10% outlots. Again Kitabi BP1 was the highlight of the auction and traded at a record of 6.27 usd/kg. Newspapers are suggesting drought conditions in Kenya, which is misleading for tea buyers. Conditions in the tea growing areas are seasonally normal, crop levels remain low while some light showers have been reported. Malawi very often follows their neighbour Kenya, this week's market showed good demand at firm to dearer rates for most teas where sold. Buyers were picky for better teas, outlots predominantly consisted of less well-made invoices. Weather conditions are normal for this time of the year, cold conditions during the night and hot during the day without any significant rainfall. This is causing fresh teas to have nice liquors, but quantities of tea produced remain low. At Sri Lanka the contrary is happening, with conditions conducive for growing tea across the island, availability of tea is healthy. And is causing auction quantities of 6-7 mln kgs every week. This week's published July crop figure confirmed a healthy green leaf intake, July crop was 2mln kg higher than last year's. Demand however is there but not very strong, buyers realize that current production is healthy and there is no need to hurry. Like the African origins, also Indonesia is in the middle of a seasonal dry period. There was less demand, resulting in 32% of the teas on offer remaining unsold. Some buyers were still not allowed to participate in the auction due to outstanding payment issues. Despite tea production is currently low, auction quantities remain well above last year's. North Indian auctions are receiving good demand, however due to the heavy rains of the past weeks, quality of the teas on offer has come down, followed by prices buyers are willing to pay. Crop output for the first weeks of August is reported to be lower due to the hot weather conditions. The hot weather conditions have left Vietnam for a few weeks now and is slowly flowing into rainy and cooler autumn like conditions. Due to the previous dry weather conditions the quality of the green leaf is disappointing. Demand is slow while prices for green teas remain firm.

"Remember to celebrate milestones as you prepare for the road ahead." – Nelson Mandela

Crop figures (in m.kg)

	July 19	July 18	Jan-July 19	Jan-July 18
Malawi	1.4	1.3	36.0	35.4
Sri Lanka	25.7	23.9	184.1	182.1
	June 19	June 18	Jan-June 19	Jan-June 18
Kenya	42.4	43.3	212.61	231
India	150.9	149.1	437.7	451.9

Upcoming auction quantities (pkgs)

	Week 35	Week 36	Week 36
Mombasa	127,667	125,922	130,920
Blantyre	2,860	2,900	N/A
Colombo	7.41 m. kgs	6.8 m. kgs	N/A
Jakarta	12,780	N/A	N/A
Kolkata	186,204	200,439	198,031
Guwahati	183,457	201,137	172,210

KENYA

Auction – Strong demand. Best BP1's firm to 20cts up and more for selected best, below best irregularly firm to 14cts up, good medium firm to 14cts up and more, medium irregularly firm to dearer following quality, plainer 4 – 20cts dearer. Best PF1's 6-10cts dearer, below best 4 - 14cts up, good medium 2 to 6cts up, medium irregularly firm to 6cts up and more for neat leaf types, plainer firm to 15cts up. Best PD's 10 – 18cts up, below best 2-10cts up, good medium 4 to 10cts up, medium 4 to 10cts up, plainer 6 to 12cts up and more. Best D1's 5 – 8 cts up, below best firm to 6cts dearer, good medium firm to 5cts dearer, medium firm to 12cts up, plainer firm to 14 cts dearer and more.

Demand – Kazakh was the strongest closely followed by Sudan and Pakistan packers. UK was more active with improved interest from the Bazar and Egyptian packers. Russia and Somalia were steady with some interest from Iran; while Local packers were absent.

Weather – EoR – Cool and cloudy conditions marked majority of the mornings giving way to sunny intervals throughout the day. Some light showers were received in the higher zones. Day-time maximum temperatures decreased across the region. WoR – Rainfall continued to be received over several parts of the West in the last week. Morning tended a little cloudy closely followed by short sunny intervals in the afternoon particularly in the Kisii area

MALAWI

Auction – Selective demand. BP1's neglected due to poor quality. PF1 Sc good demand at 5cts dearer rates. PF1 Seedling selective demand at 5-8cts dearer rates. PF's neglected. PD's selective demand at 3-4cts dearer rates where sold. D1's good demand at 1ct dearer rates. Offgrade fngs trading 3-10cts dearer. Offgrade dust 10cts easier.

Weather – Mulanje continued to be hot during the day and cool during the night. Thyolo same as last week, hot during the day and cool during the night.

SRI LANKA

Auction – HG – Good demand. Western BOP best 3-5cts lower, below best 5cts lower, plain 5cts dearer. Western BOPF best 5cts dearer, below best 10cts dearer, plain 5-8cts dearer. N.Eliya BOP 2-4cts lower and BOPF 5cts easier. Uva/ Udapussellewa BOP 5-10cts dearer and BOPF 10cts dearer. LG – Moderate demand. OP1 select best firm, best 20-25cts dearer, others all-round firm. BOP1 select best firm, best 10-15cts dearer, below best steady, bottom firm. OP select best & best lower 10cts, below best 5cts lower, bottom firm. OPA select best & best lower 10cts, below best 5cts lower, bottom firm. PEKOE 1 select best firm, best 20cts dearer, below best 10cts dearer & bottom firm. PEKOE select best 20cts lower, best 10cts easier, below best & bottom firm. FBOP/FBOP1 select best, best, below best firm, bottom 5-10cts dearer. FF1 best firm, below best 5cts easier, bottom firm. FF all round firm. BOP/BOPF all-round firm. Tippiess/Specials all-round 20cts dearer. Off grades - Liq. Fngs better fully firm to dearer, poorer sorts steady to 5cts easier. Low Grown Fngs overall 5cts easier. BP fully firm. BM better 5cts easier, below best firm, bottom 5-10cts easier. BOP1A overall 5-10cts easier. Dust - High Growns/Liq. Primary better types 20-30cts dearer, others firm to 5cts easier. Secondaries firm. Low grown better sorts firm 10cts lower. Balance 5-10cts lower.

Demand – Turkey showed fair demand with Iran being selective while improved demand came from Syria, Saudi Arabia, Dubai & Libya. Russian buyers showed less demand this week.

Weather – Western/Nuwara Eliya regions – Rains have been reported over the last week, with more rain expected next week. Udapussellewa /Uva- Bright weather reported throughout the week. Low Grown areas - Rains have been reported across the low grown regions, with additional rainfall forecasted next week.

INDONESIA

Auction – There was less demand for 10,440 packages with 32% remain unsold with some cancellation both from Java Orthodox and Sumatra CTC estates. General price trend for Orthodox and CTC were selling steady to easier levels.

Weather – Java – Continued to last week, all over Java and Sumatra reported dry during the week.

INDIA

Kolkata

Auction – CTC – The market met fair demand but firmed towards the close. Better Assams sold at irregularly easier rates, browner types traded easier. Dooars traded sideways. Orthodox – good liquoring whole leaf types, brokens & smaller leaf teas traded irregular with an easier trend with some withdrawals. Darjeeling – good demand leading to 20-30cts easier rates for the whole leaf types, Good medium teas traded dearer, while smaller leaf types traded firm others 3-5cts easier. Dust – Opened to strong demand. Good and best Assams selling firm to 8cts dearer, other steady.

Guwahati

Auction – CTC – Less demand. Most teas on offer traded irregularly easier.

Coonoor

Auction – CTC leaf – Fair demand. Best liquoring teas dearer. Good and medium teas steady to dearer up to 2c. Plainer teas firm. CTC dust – Improved but selective demand prevailed this week. Best liquoring teas dearer on quality. Good and medium sorts generally steady to dearer by 2- 4c, with fair withdrawals in the former. Plainer types eased up to 2c. Orthodox leaf – Good demand. Primary whole leaf grades dearer on quality. Brokens steady. Fannings easier. Orthodox dust – Fair demand. Primary BOPD's dearer. Remainder irregular and tending easier. Secondary teas steady.

Cochin

Auction – Orthodox leaf – Fair demand. Select best Nilgiri teas sold lower in line with quality. Medium whole leaf lower. Cleaner primary brokens around last. Remainder teas lower with heavy withdrawals. CTC – Fair demand. Lower 1-2c. Dust – Reduced demand, slackened with progress of sale. Good and popular marks eased up to 2c with select few maintained around last. Medium teas were irregular and lower 1-2c. Plainer teas followed the same trend. Heavy withdrawals witnessed on all categories

Coimbatore

Auction – CTC leaf – Good demand. High priced good liquoring varieties dearer 1-2c at times more. Medium teas fully firm. Plainer bolders barely steady. Smaller brokens 1-2c dearer. Orthodox leaf – Fair demand. Whole leaf dearer and remainder lower. CTC dust – Fair and selective demand. Good liquoring varieties sold 1-2c at lower levels. Medium varieties with liquoring properties firm. Remainder teas lower with quality. Plainer teas lower 1-2c. All categories witnessed some withdrawals.

All price movements quoted in USD per kilo.

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