

Week 35, 2019

Tea Market Report 26 – 30 August 2019

In Kenya, strong demand continued across the board yet again this week in which 127K pkgs were on offer as compared to 132K last week. The market opened on a firm note with the first 3 brokers achieving 95% absorption, however the momentum fizzled thereafter as subsequent brokers got a bit too eager. EoR BP1s came out the winners this week with few selected marks even setting new records and breaking the \$5 barrier. WoR crop harvest continues on the rise while in EoR low cropping endures. In Malawi there was a very small auction with only 1.4k pkgs on offer. At the beginning it was a lively room, with good general demand for all grades, however there was a particular sprint for offgrade fngs. In the end only 60% has been sold. Auction quantities in Sri Lanka continue to be healthy and reflect the fair rainfall that the plantation districts have experienced over the last several weeks. The total quantities on offer throughout the year have been consistently between the 6.5 Million to the 7.5 Million kilo mark, with the exception of a few sales, which were restricted. Indications are that this trend will continue going forward. High and Mid Growns crop intake is moderate while LG have shown a marginal decline. While prices continue to be below 2018 levels, they are very significantly lower in comparison with the year 2017. In fact, the current prices in auction as currently recorded, reflect well over a five-year low and is indicative of the lower demand for Sri Lanka tea this year. Buyers are getting more active and demand is slowly picking up. There was improved demand in Indonesia this week with 16% of the teas on offer unsold as compared to last week's 32%. Same as last week, some buyers were still not allowed to participate in this week's auction due to outstanding payment issues. In North India, the July crop was +8.5 million kgs, while South India showed an increase of 5.1 million kgs. That is a total up to end July of +35.4 million kgs. Record crops have been harvested in the last 4 months. In Vietnam the market overall continues to be quiet, particularly for black tea and CTC. There are hopes for a promising harvest, as the autumn season is approaching, and rains are expected for all regions.

"Music is the universal language of mankind." – Henry Wadsworth Longfellow

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
India	176.1	162.5	649.8	614.4
	June 19	June 18	Jan-June 19	Jan-June 18
Kenya	42.4	43.3	212.61	231

Upcoming auction quantities (pkgs)

	Week 36	Week 37	Week 38
Mombasa	125,922	130,920	129,359
Blantyre	2,900	2880	N/A
Colombo	6.8 m. kgs	7.14 m. kgs	N/A
Jakarta	11,660	8,180	N/A
Kolkata	200,439	198,031	197,464
Guwahati	201,137	172,210	211,547

KENYA

Auction – Good general demand. Best BP1's up to 30cts dearer and more for selected best, below best irregularly firm to 15cts up, good medium up to 15cts up and more, medium irregularly firm to dearer following quality, plainer firm to 6cts dearer. Best PF1's firm to 6cts up, below best firm to 2cts up, good medium irregularly firm to 6cts dearer, medium irregularly firm to dearer following quality, plainer firm to 14cts up. Best PD's up to 15cts up, below best 5 to 10cts up, good medium opened firm but lost to close steady to a few cts easier, medium irregularly firm to dearer with high priced mediums shedding a few cts, plainer up to 10cts up and more for selected best. Best D1's Up to 13cts up, Below best 8-10cts up, good medium firm to 8cts up, medium firm to 5cts up, plainer 8-15cts up.

Demand – Kazakh continues to be the dominant market followed by Sudan and Yemen. Pakistan packers were maintained while UK and Egyptian packers were more active. Bazar was steady while Russia showed improved interest. Somalia was more forceful as Iran maintained their silence. Local packers were selective.

Weather – EoR – Generally minimal rainfall was received with chilly misty mornings being experienced throughout the week. Some afternoons were bit sunny towards end of the week. The nights were colder. Ambient temperatures maintained low.

WoR – Several parts in this region continued to receive some amounts of rainfall over the past week. The mornings tended sunny through to afternoons; the evenings received relative showers with a few instances of thunderstorms.

MALAWI

Auction – Good general demand. BP1's sold at 3cts below valuations. PF1 Sc strong demand due to better quality on offer at firm to 12cts dearer rates. PF1 Seedling good demand at 1-3cts easier rates. PFs neglected. PDs steady to 4cts dearer following quality. D1s firm. Offgrade fngs continued good demand at last week's levels. Offgrade dust nominally 4cts easier.

Weather - Mulanje continued hot during the day but still cold during evenings. Some very paltry showers were recorded on 21st through to 24th. Thyolo same as last week, hot during the day and cool during the night. Some very light showers were reported on the 21st.

SRI LANKA

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

Demand - There was good demand from Iran this week, along with buying on behalf of Syria, Turkey and Saudi Arabia. Russia was selective, whilst Libya and Iraq were quiet. In the High Grown sector, buyers on behalf of Japan, Hong Kong, China and select Middle East outlets were operating.

Weather - Western High Grown, Nuwara Eliya, Uda Pussellawa, Uva regions experienced dull overcast conditions. Low Grown also experienced wide spread rain.

INDONESIA

Auction - Fair demand for 9,500 packages with 16% that remained unsold. This was mostly on Java/Sumatra CTC and some cancellations from Sumatra Orthodox estates. Generally, Java/Sumatra Orthodox sold at steady to firm, except for selected Java BOPF/PF/Dust. In the meantime, Java/Sumatra CTC sold at irregular levels.

Weather - Java - Good signs where West Java experienced short rains. Central/East Java continued to last week and reported dry during the week.

INDIA

Kolkata

Auction - CTC - The market met fair demand. Few better Assams traded sideways while the remainder traded easier. Few Doors around last. Orthodox - Opened to considerable demand. Select few tippy teas sold without hesitation. Good liquoring whole leaf traded irregular and at times easier. Leafy fannings were irregular around last levels. Remainder whole leaf, brokens and fannings sold at irregular easier levels and occasionally met withdrawals, specifically for the browner/ stalkier varieties. Darjeeling - good overall demand at easier rates, notably for select best whole leaf. Better liquoring brokens and fannings traded firm and at times dearer, the remainder barely steady.

Guwahati

Auction - CTC - All around good demand. Teas on offer traded irregularly around last according to quality.

Coonoor

Auction - CTC leaf - There was slightly better demand this week. Best liquoring teas were dearer. Good teas easier by 1-2cts. Medium sorts firm to dearer by 1-2cts, sometimes more. Plainers steady. CTC dust - This week saw reduced demand. Best liquoring teas irregular and tending easier. Good and Medium teas generally steady to dearer by 1-2cts, with fair withdrawals in both. Plainer types eased up to 2cts. Orthodox leaf - Demand was good. Primary Whole Leaf grades easier. Brokens and Fannings steady. Orthodox dust - There was good demand. Primary BOPD's firm, remainder dearer. Secondary teas steady.

Cochin

Auction - Orthodox leaf - Better demand. Select best Nilgiri teas around last. Medium primary brokens firm. Whole leaf, secondary teas and fannings lower. Teas with poor leaf appearance were neglected. CTC - Fair demand. Lower 1-2cts. Dust - Fair demand. Good and popular marks barely steady. Select few tending dearer at times, especially on SRD. Mediums irregular around last with some withdrawals. Plainer teas selling firm to dearer.

Coimbatore

Auction - CTC leaf - Fair demand. High priced good liquoring varieties easier 1-2c with some fannings facing withdrawals. Medium kinds fully firm to dearer with quality. Plainer teas around last. Orthodox leaf - Good demand for whole leaf on offer at easier levels. CTC dust - Fair and selective demand. Select good liquoring finer grades dearer by 1-2cts, remainder irregularly easier. Medium kinds lower 2-3cts with some withdrawals. Plainer teas around last.

All price movements quoted in USD per kilo.

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