

Week 46, 2019

Tea Market Report 11 – 15 November 2019

In Kenya, both sides of the Rift - EoR & WoR, received again very useful showers resulting in a further improvement in leaf intake. A direct consequence are higher auction volumes in the coming weeks, with 161K pkgs next week, 164K in week 48 and 165K in the first week of December. This week the market opened on an easier note with fairly good absorption from the start and ending with 11.6% outlots. There are ongoing discussions whether an extra auction should be held in week 52, which is for final decision for next week. Malawi, on the other hand, is in much need of moderate temperatures and a start of the rains. The extreme high temperatures are taking its toll on the tea bushes and producers are waiting impatiently for showers to fully recover and prepare for the new season. Auction quantities remain seasonally low with 3,280pkgs in week 47 and 2,420pkgs in week 48. Indonesia continued to last week with heavy rains which will have its positive results in weeks to come in terms of crop intake. At the auction there was less demand for 6,400pkgs with 32% remaining unsold, mostly on Java CTC. General price trends for Orthodox was steady to firm, CTC was selling at steady to easier rates with many withdrawn due to suspended Rainforest Alliance certificates on East Java estates. Only CTC BP1's was selling at firm to dearer levels. The Sri Lanka Presidential elections are scheduled to be held on Saturday the 16th November 2019. By all accounts, it has been a peaceful campaign thus far, hence, this election is expected to be held without too much disruption to daily routines for the citizens of Sri Lanka. Meaning that there will be again a lively auction, especially in the HG sector as auction quantities are slowly recovering due to the improved weather. The Indian export figures of April-September is exactly the same as 2018, 118m.kgs with an increase of 7% in terms of value. The most outstanding figure must be the export to Iran which has doubled to 26m.kgs compared to last year. Argentina is still in full preparation of the coming season and as there are no further resolutions on the US-China tariffs they will be hoping for extra volumes of tea toward the US.

"You can't always get what you want, but if you try sometimes, you might find, you get what you need." – Mick Jagger

Crop figures (in m.kg)

	October 19	October 18	Jan-Oct 19	Jan-Oct 18
Malawi	2.30	2.20	42	42.8
	September 19	September 18	Jan-Sep 19	Jan-Sep 18
Malawi	2.1	3.6	39.8	40.6
Sri Lanka	24.8	25.6	235.6	229.2
Kenya	35.5	42.5	317	346
India	184.7	174.8	1006.4	979.2

Upcoming auction quantities (pkgs)

	Week 47	Week 48	Week 49
Mombasa	161,197	164,407	165,580
Blantyre	3,280	2,420	N/A
Colombo	5.05 m. kgs	5.98 m. kgs	N/A
Jakarta	8,660	7,220	N/A
Kolkata	182,554	192,476	N/A
Guwahati	183,880	179,439	N/A

KENYA

Auction – Best BP1's opened dearer but closed at steady rates, below best firm to 6cts up with poor types easier, good medium irregularly firm to 14cts dearer, medium 2 to 8cts easier with selected best dearer, plainer firm to 2cts dearer. Best PF1's steady to 5cts easier, below best 2 to 7cts easier, good medium 2 to 4cts easier, medium irregularly steady to 5cts easier with some certified types dearer, plainer 4 to 6cts dearer. Best PD's 4 to 10cts easier, below best up to 10cts easier, good medium 5 to 10cts easier, medium 2 to 8cts easier, plainer steady to 6cts easier. Best D1's firm to 4cts dearer, below best 4 to 6cts easier, good medium steady to 4cts easier, medium 4 to 6cts easier, plainer steady to 6cts easier.

Demand – Pakistan packers, Sudan and Yemen were dominant while Egypt lent useful support. Afghan and UK were steady while Bazar showed more interest. Russia was less active with some interest from a new Iranian buyer. Somalia maintained their activity on the BMF's with selective interest from the local packers.

Weather – EoR – Most parts in this region continued to report useful showers. Temperatures recorded in the week declined to previous week. WoR - Useful showers prevailed in several parts particularly early in the week. Sunny and warm conditions in the morning while afternoons tended partly gloomy still giving way to heavy showers at night. Ambient temperatures were moderate.

MALAWI

Auction – BP1 poor descriptions gained 2cts while the better sorts were taken out. PF1 Sc none on offer. PF1 Seedling selective demand even on the usually well patronized PGI descriptions at 2cts easier rates were sold with a few lots selling at valuations. PFs sold at 10cts below valuations. PDs up to 13cts easier owing to quality. D1s steady to 4cts easier rates. Offgrade fngs selective demand at steady to a few cents easier where sold. Offgrade dust neglected.

Weather – Mulanje - continued sunny and hot conditions. Some rains were received on Sunday ranging from 5-13mm. Thyolo - extremely hot and dry. The bushes are really stressing now.

SRI LANKA

Auction – HG – Good Demand. Western BOP best 2-4cts dearer, below best 2-3cts dearer, plain firm. Western BOPF best 2-4cts lower, below best 3-5cts dearer, plain 3-5cts dearer. N.Eliya BOP irregular, BOPF 3-5cts lower. Uva/ Udupussellewa BOP 2-4cts dearer, BOPF 3-5cts dearer. LG – Fair demand. OP1 select best firm, best firm to 10cts dearer, below best 20-25cts dearer, bottom firm. BOP1 select best Firm, best firm to 10cts dearer, below best Firm, bottom 5cts dearer. OP select best Firm 5cts dearer, best Firm, below best 5cts dearer, bottom 10cts dearer. OPA select best 10cts lower, best 5cts lower, below best Firm, bottom 10cts dearer. PEKOE 1 select best steady to 5cts lower, best Firm, below best Firm, bottom Firm. PEKOE select best 10cts lower, best 10cts lower, below 10cts Lower, bottom 5cts Lower. FBOP/FBOP1 select best 10cts lower, below best firm, bottom firm. FF1 all round firm. FF all round Firm. BOP all round 10cts Lower. BOPF firm market. Tippiies/Specials all round 10cts dearer. Off grades - Liq. Fgs better sorts 10-15cts dearer, poorer firm to 10cts easier. Low Grown Fgs all 10-15cts dearer. BP firm, BM all firm to 10cts easier. BOP1A better sorts firm, below best 10-15cts dearer, poorer sorts 5cts dearer. Dust - High Grown/Liq. Primary 15cts dearer. Secondaries better sorts 10-15cts Dearer, others Firm. Low Grown better sorts Firm to 5cts dearer, others firm.

Demand – Iran was operating, along with buyers on behalf of Russia, Saudi Arabia, UAE, Libya, Iraq, Syria, Turkey and Jordan. Unilever was active, along with buyers on behalf of Japan, South Africa, UK, The Continent, North America, Hong Kong and Russia.

Weather – Low Grown planting districts have reported bright mornings with evening showers. High Grown planting districts have reported dry, but overcast mornings, with afternoon and evening showers.

INDONESIA

Auction – Java orthodox – Less demand. BOP1 N/A. BOP firm. BOPF neglected. PF steady to 4cts easier. Dust steady. BT N/A. West Sumatra – Less demand. BOP1 N/A. BOP firm. BOPF neglected. PF withdrawn. Dust firm. BT firm. BT2 steady. Java CTC – Less demand. BP1 West firm to 13cts dearer, East N/A. PF1 West N/A, East withdrawn. PD West steady, East withdrawn. D1 West firm, East neglected. Fngs West steady, East neglected. D2 West withdrawn, East neglected.

Weather – Java - Continued to last week, bright and sunny during morning hours and partly cloudy with heavy rain in most regions. Sumatra – regular rain was experienced in North/Central/South Sumatra.

INDIA

Kolkata

Auction – CTC – Market opened to good demand. Assam maintaining quality barely steady. Remainder irregularly easier with teas showing decline in quality witnessing some withdrawals. Dooars selling readily around last levels. Orthodox – Market opened to good demand. Select tippy teas on offer being absorbed readily. Well-made teas irregular around last following quality with some withdrawals. Remainder sorts tending lower, particularly broken. Darjeeling – A few flavoury whole leaf descriptions sold well, whilst the majorities were 20-30cts easier with withdrawals. Broken and fngs are selling at levels well below cost of production.

Guwahati

Auction – CTC – Fair demand. Nominal weight of good liquoring teas barely steady. Others irregularly easier following quality. Browner sorts often neglected. Dust – Market opened to good demand. Good categories irregular around last, medium and plainer barely steady. Browner, fibrous sorts discounted.

Coonoor

Auction – CTC leaf – This week saw a much-improved demand in the market compared to last. Best liquoring types irregular and tending easier. Good sorts 2-3cts easier. Better mediums were easier, regular mediums were dearer by 2cts. Plainer teas steady to dearer up to 2cts. Orthodox leaf - Good demand. Primary whole leaf grades moved up dearly on quality. Broken eased on demand while the fngs were dearer. CTC dust - better demand. Best liquoring teas eased by 2-4cts, with some withdrawals. Good types steady to easier up to 2cts. Medium sorts steady to dearer by 2cts. Plainer types steady to easier by 2cts. Orthodox dust – Good demand. Good liquoring primary BOPD's dearer, remainder was irregular and tending easier. There was good demand for secondary teas which were easier.

Cochin

Auction – Orthodox leaf – Less demand. Select best Nilgiri teas eased in value. Medium types followed a similar trend with heavy withdrawals more so on the smaller broken and poor leaf appearance teas. CTC – Fair demand. All types irregular. Dust – Good demand. Popular marks and good liquoring teas firm and at times dearer. Medium teas irregularly lower in line with quality. Plainer types around last.

Coimbatore

Auction – CTC leaf – Fair and selective demand. Bolder leaf grades easier with quality and facing some withdrawals. Fannings fully firm, medium varieties around last, plainer sorts firm. Orthodox leaf - Good demand for the whole leaf on offer at around last levels, remainder lower and facing withdrawals. CTC dust - Fair demand. Good liquoring clean black PD's fully firm. Remainder irregularly lower with quality. Medium kinds barely steady with select black PD/RD appreciating by up to 2cts. Plainer teas firm. CTC Dust - Orthodox met with fair demand for the leafy sorts. Powdery kinds out listed.

All price movements quoted in USD per kilo.

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