

Week 49, 2019

## Tea Market Report 2 – 6 December 2019

In Mombasa, an overall easier market was witnessed with 165K pkgs on offer. The all average hammer price lost a few cents, ending at \$2.07 and the final outlot figure ended at 14.27%. With only 2 more auctions it seems that private producers decided to offload their stocks as much as they could in sale 51. Before a 2-week break there will be 165K pkgs in week 50 and 176K pkgs in week 51 on offer. The first auction of 2020 will start on January 7<sup>th</sup> with a total of 178K pkgs. With the weather conducive for growing, crop levels remain seasonally high which is likely to result in increased auction offerings. October recorded a production figure of 46.3m. kgs which was slightly lower compared to 49.28m. kgs during the same period in 2018, WoR lost 10% and EoR just over 2% compared to last year's crop. The market in Malawi was very quiet as there was no auction this week, we will see two small auctions in the coming weeks with only a few seasonally low-quality tea invoices on offer. There has been some precipitation which helps the bushes to recover from the dry distress, however cumulatively the least rainfall has been recorded since 2015. In Jakarta there was less demand for 7,560 packages with 23% remaining unsold. The general price trend for Java/Sumatra Orthodox/CTC was steady to firm with some selected invoices firm to dearer especially for Orthodox BT/BTII and CTC BP1. Some buyers were still not allowed to participate in the auction due to outstanding payment issues. In Colombo the auction met fair demand with the LG teas dominating. The weather patterns have settled and the current climatic conditions are conducive for growing tea. The first signs of this have been evident through the figures available for sale No 50. It is expected that an overall improvement in crop will be seen henceforth, which will be reflected in the auction quantities in the latter part of December 2019 into January 2020. The Indian November crop figures show, with 176.9m. kgs, a marginal decline of 2.9% compared the same period last year. This results in a record crop figure of 1183.3m. kgs which is a small increase of 1.8% compared to 2018. In Vietnam it's getting colder and will have one last harvest before the season ends with pruning starting early January.

*"The best revenge is massive success."* – Frank Sinatra

### Crop figures (in m.kg)

	Oct 19	Oct 18	Jan-Oct 19	Jan-Oct 18
Malawi	2.30	2.20	42	42.8
Sri Lanka	20.8	29.1	253.7	252.7
Kenya	46.3	49.3	363.1	395.5
India	176.9	182.8	1183.3	1162.0

### Upcoming auction quantities (pkgs)

	Week 50	Week 51	Week 52	Week 1	Week 2
Mombasa	165,486	176,500	N/A	N/A	178,431
Blantyre	1,180	2,160	N/A	N/A	N/A
Colombo	5.27m. kgs	6.21m. kgs	N/A	N/A	N/A
Jakarta	14,080	N/A	N/A	N/A	N/A
Kolkata	198,048	203,965	211,366	N/A	N/A
Guwahati	186,470	175,005	175,060	N/A	N/A

### KENYA

**Auction** – Best BP1's 15 – 20cts easier, below best up to 35cts easier, good medium 6 to 10cts easier, medium irregularly steady to 10cts easier, plainer irregularly firm to dearer. Best PF1's 4 - 8cts easier, below best 8 – 12cts easier, good medium steady to 4cts easier, medium certified types are firm to 10cts up, balance irregularly steady to easier, plainer opened easier but closed firm to 4cts dearer. Best PD's 2 - 6cts easier, below best up to 10cts easier, good medium steady to 3cts easier, medium 4 - 10cts easier, plainer 8 - 15cts easier with selected best about firm. Best D1's best 4 - 6cts easier, below best 5 to 10cts easier, good medium 4 to 12cts easier, medium steady to 10cts easier, plainer up to 20cts easier.

**Demand** – Pakistan packers, Bazar and UK were active while Afghan was slower. Yemen, Sudan and Egypt were steady while Somalia was less active. There was some activity from Russia while Iran continues to be quiet.

**Weather** – EoR – This region enjoyed some fairly good and well distributed rainfall during the past week. Mornings opened with sunny and cloudy conditions giving way to rainfall in the afternoon. Ambient temperatures continued fairly moderate. WoR – The region continued to receive heavy rainfall during this week under review. Most parts in this region opened with heavy overcast and wet conditions followed by short sunny spells around midday. Afternoons were reported also quite wet. The ambient temperatures declined. Flash floods and hailstones reported in some parts.

### MALAWI

**Auction** – No auction.

**Weather** – Mulanje – good and well spread rains were received on 25th and 26th November ranging in total from 13-83mm over the two days. The rest of the week was generally hot and dry with isolated cases of light rains. Cumulatively less rains have been received this year compared to other years since 2015. Thyolo – good wide spread rains were received on 25th, 26th and 28th ranging in total from 29-62mm over the three days. Compared to last year we received less rains from June to November this year.

## SRI LANKA

**Auction** – HG – Fair demand. Western BOP best 2-3cts dearer, below best 5cts lower, plainer 5-10cts lower. Western BOPF best 3-5cts lower, below best 5-8cts lower, plainer 5cts lower, but closed at dearer levels. N.Eliya BOP 5cts lower, BOPF 5-10cts lower. Uva/Udapussellewa BOP 5-10cts lower, BOPF 10cts lower. LG – Fair demand. OP1 select best 30cts dearer, best 20-30cts dearer, below best 15-20cts dearer, bottom 10cts dearer. BOP1 select best 10-15cts dearer, best 10-15cts dearer, below best 5-10cts dearer, bottom 10cts dearer. OP select best 15cts dearer, best 10-15cts dearer, below best 5-10cts dearer, bottom 5-10cts dearer. OPA select best 10-15cts dearer, best 10-15cts dearer, below best 5-10cts dearer, bottom 5cts dearer. PEKOE 1 select best firm, best 10-15cts dearer, below best 10-15cts dearer, bottom 10-15cts dearer. PEKOE select best 5-10cts lower, best 5cts lower, below best 5cts lower, bottom firm. FBOP/FBOP1 best 20cts lower, below best 10cts lower, bottom 10cts lower. FF1 best firm, below best 5cts lower, bottom 5cts lower. FF all round firm. BOP best 10-20cts dearer, below best 5-10cts dearer, bottom 5-10cts dearer. BOPF all round firm. Tippiess/Specials all round 10cts dearer. Offgrades - Liq. Fgs better types firm, other sorts 15-20cts dearer. Low Grown Fgs better sorts firm, below best & bottom 10-15cts dearer. BP better sorts 20-30cts dearer, others 15-20cts dearer. BM best 10-15cts easier, below best firm to 10cts easier, bottom 10cts dearer. BOP1A better sorts firm, others 10cts dearer. Dust - High Grown/Liq. Primary better sorts 20-30cts lower, others firm to 15cts lower. Secondaries 10-15cts lower. Low Grown 25cts dearer.

**Demand** – LG - Saudi Arabia was operating, along with buyers on behalf of Unilever, Russia, Iran, Iraq, Jordan, Syria, Turkey, UAE, Germany and select Eastern Europe out-markets. HG - Unilever was quite strong, along with buyers on behalf of China, Japan, Hong Kong, UK, The Continent, North America, Russia and select Middle East out-markets.

**Weather** – Western, Nuwara Eliya, Uva and Uda Pussellawa regions have reported bright mornings with afternoon and evening showers. Low Grown have also experienced dry mornings with evening rain.

## INDONESIA

**Auction** – Java Orthodox – Fair demand. BOP1 N/A, BOP N/A, BOPF steady to 3cts easier, PF steady, Dust firm, BT firm to 3cts dearer. West Sumatra – Fair demand. BOP1 N/A, BOP neglected, BOPF firm, PF firm, dust firm, BT steady to 3cts easier. Java CTC – Fair demand. BP1 West firm, East firm to 4cts dearer. PF1 West firm, East neglected. PD West steady, East withdrawn. D1 West firm, East withdrawn. Fngs West steady, East firm.

**Weather** – Java – Raining was coming regularly this week with improving intensity in most tea regions. Bright and sunny during morning hours with regular showers during the afternoon/night which is good for the teas to recover after the drought. Sumatra - Partly cloudy with moderate rains was reported in North/Central/South Sumatra.

## INDIA

### Kolkata

**Auction** – CTC – Market opened to good demand. Few Assams maintaining quality irregular around last, remainder tending easier following decline in quality. Total of 72% has been sold. Orthodox – Market opened to good demand at levels lower than last. Clean, well-made whole leaf irregular and at times tending lower, remainder whole leaf and brokens selling at irregularly lower rates, particularly brokens. Fannings irregular around last – 84% sold. Dust - Market opened to good demand. Assams maintaining around last, browner and fibrous sorts tending easier with some withdrawals. Dooars and few Cachars following similar trend.

### Guwahati

**Auction** – CTC – Good demand. Teas seen are selling at irregularly easier following quality.

### Coonoor

**Auction** – CTC leaf – Demand was slightly improved this week, albeit at easier levels compared to the previous. Best and good liquoring teas although irregular, were at times dearer, closely following quality. Mediums types steady to occasionally dearer. Plainers were easier up to 2cts. There was a general better demand for fannings which was substantially dearer. Orthodox leaf - Reduced demand. Primary whole leaf grades easier with some withdrawals, brokens easier while the fannings were dearer. CTC dust - Demand was like last and at similar levels too. Best liquoring teas irregular and tending dearer, good and medium types were steady to dearer by 2-3cts. Plainer teas were easier up to 2cts with fair withdrawals on the browner teas. Orthodox dust - Good demand. Primary good liquoring BOPD's dearer, sometimes substantially. Remainder was steady. Secondaries easier, facing withdrawals.

### Cochin

**Auction** – Orthodox leaf – Fair demand. Select best Nilgiris sold around last in line with quality. Medium primary brokens and clean smaller brokens firm. Whole leaf lower with heavy withdrawals, fngs lower. CTC leaf - Fair demand. All varieties lower 1-2cts. Dust - Reduced demand. Good and popular marks lower at times by 1-2cts. Medium and plainer sorts irregular and easier with withdrawals.

### Coimbatore

**Auction** – CTC leaf – Fair demand. Better liquoring bolder grades easier, smaller brokens and fngs dearer by 1-2cts. Medium types barely steady with the plainer selling at 1-2cts lower levels. Orthodox leaf – Whole leaf dearer with quality, secondaries firm. Dust - Fair and selective demand. High priced good liquoring teas fully firm to dearer following quality. Medium kinds easier by 1-2cts with some withdrawals. Plainer sorts barely steady with the fibrous types tending easier.

*All price movements quoted in USD per kilo*

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