

Week 07, 2020

Tea Market Report 10 – 14 February 2020

In **Kenya**, the sixth auction of the year saw the total packages on offer drop from the record highs of the previous weeks, to a still impressive 189'950. There was fairly good demand and the absorption rates remained high, with 12% remaining unsold. Overall, the market was easier across the board, however, the all average hammer price lost by 5usc and fell to \$2.03, except for Burundi BP1 and PF1's which gained, defying the market dynamics for a second week running. In **Malawi**, in this week's auction there were 8'860 packages on offer and the absorption rate sat at 65.46% by the close of play. Most of the unsold teas consisted of poor and old teas, alongside those that aren't Rainforest Alliance certified. The all average hammer price dipped slightly from 132.39usc from 134.04usc, thanks to the reduced business concluded in the room. In **Indonesia**, there was less demand for the 9'380 packages on offer, with 38% remaining unsold. General price trends indicated that Java/Sumatra Orthodox were mostly selling at steady to firm, alongside Java and Sumatra CTC which were selling at steady to firm with many withdrawals. In **Sri Lanka**, the continued lower auction quantities suggest an ongoing bullish market for the forthcoming period, meaning it is likely that Colombo's price levels will consistently surpass 2019's levels. The total sale average for auction 05 is \$3.30, marginally above the \$3.29 of the previous year, however these are significantly down when compared to the same auction in 2018, which sat at an impressive \$3.62. On a separate note, as indicated last week, the proposed wage increases to plantation workers is something that the plantation sector is monitoring very closely and may be considered. In **North India**, the Tea Board has given permission for plucking of First Flush Teas only for Orthodox Tea manufacture, from the 9th February 2020.

A special quote for Valentine's Day.

"When a man opens a car door for his wife, it's either a new car or a new wife". - Prince Philip

Crop figures (in m.kg)

	Dec 19	Dec 18	Jan-Dec 19	Jan-Dec 18
Malawi	4.98	6.35	48.19	50.59
Kenya	50.66	51.83	458.85	493.00
Sri Lanka	22.00	26.00	300.10	303.90
India	67.00	55.5	1389.70	1338.60

Upcoming auction quantities (pkgs)

	Week 8	Week 9	Week 10
Mombasa	202'759	208'298	196'918
Blantyre	7'480	7'280	N/A
Colombo	6.0 m kgs	5.4 m kgs	N/A
Jakarta	N/A	N/A	N/A
Kolkata	115,916	N/A	N/A
Guwahati	169'418	78'624	N/A

KENYA

Auction – Best BP1's irregularly firm to dearer following quality, Below best steady – 6usc easier, good medium irregularly steady – 2usc easier, medium steady – 5usc easier with a few selected best firm and plainer firm. Best PF1's up to 8usc easier, below best 6-10usc easier, good medium 2-6usc easier, medium irregularly firm and plainer steady – easier. Best PD's up to 10 usc easier, below best 10-15usc easier, good medium 4-12usc easier, medium 2-5usc easier and plainer up to 5usc easier. Best D1's up to 12usc easier, below best 10-16usc easier, good medium steady -4usc easier, medium 2-6usc easier and plainer 5-12usc easier.

Demand – Pakistan packers continued supportive of the market with Egypt also active. Uk and Russia were selective. Yemen and Sudan were maintained while Kazak and Bazar were slower as were Afghan. Somalia was active at the lower end of the market.

Weather – EoR – For the most part, days were sunny and bright with little to no rainfall recorded. WoR – On the whole, the wet conditions continued, with bright and dry mornings, followed by cloudy and wet afternoons. Crop intake EoR crop levels remained steady and WoR crop levels remained high.

MALAWI

Auction – BP1 Neglected due to poor quality on offer, PF1sc good demand at steady to 1usc easier, PF1 seedling many lots were taken out under bid, the few that sold were steady to a cent easier, PF's neglected, PD's good demand at 1-2usc easier rates, D1's good demand, the market adjusted downwards by 10-14usc, Offgrade fngs the poor leaf descriptions shed 2usc while the better leaf types gained up to 3usc and lastly Offgrade dust neglected owing to poor quality.

Weather – Mulanje: It rained again almost daily, with showers experienced throughout the week, meaning 2 straight weeks of rains. In Thyolo there were scattered and isolated rains during the week and is expected to continue into next week.

SRI LANKA

Auction – High Grown – fair demand. Western BOP best 5-10usc dearer, below best 3-5usc dearer and plain 5usc dearer. Western BOPF best 10usc dearer, below best 5usc dearer and plain firm. N. Eliya BOP 3-5usc lower and BOPF irregular. Uva/Udapussellewa BOP 2-3usc dearer and BOPF firm. Low Grown - Good demand. OP1 select best 5usc lower, best firm – 5usc dearer, below best 10-20usc dearer and bottom 10-20usc dearer. BOP1 select best firm, best 10usc dearer, below best 10usc dearer and bottom 10-20usc dearer. OP select best firm, best 10usc lower, below best 10usc dearer and bottom 10usc dearer. OPA select best firm, best 10usc dearer, below best 5usc dearer and bottom 10usc dearer. Pekoe 1 all round 10usc lower. Pekoe select best firm. best 5usc lower, below best and bottom 10-20usc dearer. FBOP/FBOP1 best firm, below best 10usc dearer and bottom 5-10usc dearer. FF1 best and below best firm, bottom 5usc dearer. FF best 10-15usc dearer, others all around firm. BOP best 10usc dearer, below best and bottom 5-10usc dearer and BOPF all-round 5usc dearer. Tippiess/specials all around 10usc dearer. Off grades – Liq. Fgs all around 10usc dearer. Low Grown Fgs select best lower by 10usc whilst others lower by 5-10usc. BP firm to last, bottom 30usc dearer and BM better sorts firm, below best 20usc dearer and bottom 30usc dearer. BOP1A overall 10usc dearer. Dust - High Grown/Liq.primary 10usc dearer. Secondaries 5-10usc dearer. Low Grown 5-10usc dearer.

Demand – High Grown/Mid Grown – There was good demand 1.4 million kilograms of tea on offer yet again. Unilever was active, along with buyers on behalf of UK, The Continent, Japan, Hong Kong, China, UAE, North America, Egypt and select Middle East out-markets. Low Grown - There was a quantity of 2.5 million kilos on offer this week. Saudi Arabia was operating, along with buyers on behalf of Russia, Syria, Turkey, Libya, Iraq, Iran, UAE and Jordan. **Weather** – Bright and dry weather continues to be prevalent in all planting districts and crop intakes are reported to be low.

INDONESIA

Auction – Java orthodox – fair demand, BOP1 Withdrawn, BOP firm, BOPF steady. PF irregularly steady from 6usc easier – 2usc dearer, dust irregularly steady from 5usc easier – 6usc dearer, BT steady, BT2 steady, PF2 firm, D2 neglected D3 steady. West Sumatra – Fair demand. BOP1 N/A, BOP N/A, BOPF firm, PF withdrawn, Dust neglected, BT neglected, BT2 firm, PF2 withdrawn, D2 neglected, D3 firm. Java CTC - less demand. BP1 west withdrawn and east N/A, PF1 west withdrawn and east neglected, PD west withdrawn and east withdrawn, D1 west firm and east withdrawn, Fngs west firm and east neglected, D2 west steady, east withdrawn, F2 west N/A and east N/A.

Weather – Java – Most areas in the region experienced bright and sunny conditions in the morning with regular rains in the afternoon and evening. In Sumatra it was partly sunny in the morning with irregular showers during the afternoon.

INDIA

Kolkata

Auction – CTC – fair demand. A few bright liquoring Assams with a hint of quality sold well at steady levels, plainer and brown leaf descriptions were 5-8usc easier with heavy withdrawals. Orthodox – Good demand. Well-made cleaner whole leaf and Broken irregular and at times tending lower. Remainder sorts easier following quality with some withdrawals. Less enquiry for fannings and Secondaries around list.

Guwahati

Auction – CTC – less demand. Teas are selling irregularly easier around last.

Coonoor

Auction – CTC - selective demand. Good and better medium bolder's and fannings barley steady. Other grades depreciated by 3-4usc with larger volumes out listed due to lack of bids, plainer, cleaner varieties at last other browner fibrous teas easier by up to 2usc. Orthodox – select lines of primary whole leaf grades at firm to dearer rates whilst others witnessed a barely steady market. Broken continues to suffer less demand with quantum of teas unsold, primary fannings sold well whilst others declined or rather were unsold. CTC dust – brighter teas easier by 3-5usc, sometimes with outlots, good and better mediums were easier by 3-4usc with quantum of teas remaining unsold. Medium teas met depreciation with heavy withdrawals and plainer teas were easier especially browner sorts.

Cochin

Auction – Orthodox – less demand. Select Nilgiri teas sold at easier levels, medium teas lower with heavy withdrawals. CTC fair demand. All teas lower by 1-2usc. Dust Less demand. Good and popular teas easier by 2-3usc and more at times following quality. Medium and plainer types irregularly lower and fannings firm.

Coimbatore

Auction - Leaf – fair demand. Better liquoring broken around last levels, fannings dearer by 2-3usc, medium and plainer types irregularly lower and fannings firm. Orthodox – reduced demand. Whole leaf sold at fully firm levels, remainder easier facing withdrawals. Dust – fair demand. Better liquoring high priced teas sold at around last levels. Select medium PD and RD's with better liquoring properties fully firm. Remainder irregularly lower. Plainer sorts easier by 1-2usc with some withdrawals in the finer grades.

All price movements quoted in USD per kilo

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