



LANKA COMMODITY BROKERS LTD
TEA MARKET REPORT

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SALE NO.10 OF 05TH & 06TH MARCH, 2019.

COMMENTS

The quantity of 6.1 Mkgs on offer this week was 0.4 Mkgs lower than the previous week. Low Grown leafy teas amounted to 1.6 Mkgs whilst tippy/small leaf teas totaled 1 Mkgs. High Grown on offer in the Ex Estate catalogue comprised of 0.9 Mkgs.

Low Grown leafy teas met with good demand amidst fair activity from buyers for Saudi Arabia, Kuwait, Syria, Jordan, the U A E and the C. I. S. There was sustained demand this week from Turkey for Pekoe descriptions. Tippy / Small Leaf teas however met with only fair demand with buying for Iran in particular not being up to the usual level which *de facto* is a result of the present economic sanctions encompassing a labyrinth of conditions that have been imposed on Iran by the U S A. The inventories of some major Russian packers are still reportedly on the high side; Hence the somewhat subdued activity from this market. Buying for Iraq and Libya continued at almost the same pace as the previous sale.

In the Ex Estate catalogue, a limited selection of the best available Westerns with *insignis* Dimbulla quality and supported by air-mail interest were irregularly dearer. Below best teas with neater leaf held firm but poor leaf sorts eased Rs. 10/- to 20/- per kg. CTC teas with cleaner leaf held firm but here-again the poorer sorts were often neglected. The select quality High Grown were supported by buyers for Japan, Germany and other selected European markets. Russian activity continued to be on a low key.

This week's auction comprised of **10,692** lots with a total quantity of **6,122,090** Kgs. The catalogue-wise breakdown was as follows:-

	Lot	Qty. (Kgs)
Low Grown Leafy	3,668	1,661,850
Low Grown Tippy	1,897	1,021,817
High & Medium	1,188	591,652
Off Grade/BOP1A	2,300	1,296,252
Dust	594	609,618
Premium Flowery	240	45,810
Ex-Estate	805	895,091
Total	<u>10,692</u>	<u>6,122,090</u>

In lighter vein

He Never Expected This

One day a man was traveling north to Dallas. Needing to use the bathroom, he pulled into a rest stop and went into a stall. He sat down and was surprised to hear someone in the next stall say: "So, how ya doing?" The man gulped and thought about what he should say. And then he decided to answer. So he cleared his throat and said, "uh....I'm fine."

Then the stranger in the next stall said, "So where are you headed?"

Again the man, a little nervous answered, "Uh... I'm headin' north to Dallas."

Then the stranger asked, "So what have you been up to?"

Again the man answered, "Not much, I'm actually on a business trip."

The man sat there waiting for another question when finally he heard the stranger in the next stall impatiently say...

"Look, I'm going to have to call you back, some idiot in the next stall thinks I'm talking to him."

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LOW GROWNS – LEAFY

BOP1 : Select best teas met with good demand; balance was irregularly lower by Rs.10-20/- per kg. Teas at the lower end were generally firm.

OP1 : Teas in the select best category maintained on last week levels; balance declined by Rs.20/- per kg and at times more. Stalky invoices however gained Rs.20-30/- per kg.

OP : Select best teas tended irregular; balance gained by Rs.10-20/- per kg. Teas at the lower end too were dearer.

OPA : A few select best invoices advanced Rs.10-20/- per kg; balance too appreciated by Rs.20-30/- per kg. Poorer sorts held firm.

PEK/PEK1: Well made shotty invoices were irregularly lower by Rs.10-20/- per kg; balance was barely steady. Best bolder PEK's maintained; balance declined by Rs.20/- per kg. Teas at the lower end tended irregular.

Quotations (Rs./Kg)

	Best		Below Best		Others	
	<u>This Week</u>	<u>Last Week</u>	<u>This Week</u>	<u>Last Week</u>	<u>This Week</u>	<u>Last Week</u>
BOP1	950-1200	950-1450	650-700	650-700	575-600	570-620
OP1	950-1300	950-1250	720-770	720-770	450-500	425-475
OP	700-810	720-820	570-630	570-620	470-520	450-500
OPA	730-880	720-870	570-620	550-580	400-430	400-430
PEK/PEK1	830-960	850-1050	650-700	650-700	500-550	500-550

TIPPY/SMALL LEAF

BOP/BOPSP : A few select best maintained. Balance was lower. Teas at the lower end sold around last levels.

BOPF/BOPFSP : Few select best maintained. Balance were easier. Best and below best were irregular and mostly lower, however teas at the lower end were firm.

FBOP/FBOP1 : Select best FBOP's appreciated. Best were firm to easier. Below best and teas at the lower end were easier. FBOP1's in general easier.

FBOPF/FBOPF1: Very tippy teas tended irregular. Best and below best together with teas at the lower end were firm. However, the smaller varieties were irregularly lower. Select best FF1's were fully firm. Best together with below best declined. Clean teas at the lower end firm. Others too lower.

FBOPFSP/ EXSP: Select long tippy varieties met with good demand whilst the below best and the poorer sorts were irregularly lower.

Quotations (Rs./Kg)

	Best		Below Best		Others	
	<u>This Week</u>	<u>Last Week</u>	<u>This Week</u>	<u>Last Week</u>	<u>This Week</u>	<u>Last Week</u>
BOP/BOPSP	750-880	750-960	530-580	540-580	380-420	380-410
BOPF /BOPFSP	750-940	750-900	530-580	550-620	380-420	380-410
FBOP/FBOP1	750-1000	730-960	580-650	600-680	550-580	550-620
FBOPF/FBOPF1	680-800	700-840	600-680	650-700	530-600	550-650
FBOPFSP/EXSP	750-1700	800-1300	700-750	700-750	580-650	600-650

MEDIUM GROWN LEAFY/SEMI LEAFY TEAS

FBOP : Best on offer gained Rs.40-50/- per kg whilst the others were irregular and mostly lower.

FBOPF/FBOPF1 : Select best types gained Rs.30-40/- per kg whilst the others were fully firm to dearer.

PEK/PEK1 : Select best types maintained on last levels, whilst the others were irregular and mostly lower.

<u>Quotations (Rs./Kg)</u>	Best		Below Best		Others	
	<u>This Week</u>	<u>Last Week</u>	<u>This Week</u>	<u>Last Week</u>	<u>This Week</u>	<u>Last Week</u>
FBOP	780-1000	740-880	670-780	620-740	500-670	500-620
FBOPF/FBOPF1	780-900	750-820	660-780	630-750	550-660	520-630
PEK/PEK1	780-960	760-920	680-780	650-760	550-680	500-650

HIGH GROWNS

BOP: Best Westerns –select range of seasonal teas were irregularly dearer following special inquiry whilst the others were easier following quality. Teas in the below best and plainer categories sold around last week’s levels. Nuwara Eliyas –few select invoices were firm and dearer following special inquiry whilst the others were irregular and easier. Uva/Udapussellawas declined Rs.20/-per kg and more.

BOPF: Best Westerns –few select invoices appreciated following special inquiry whilst the others were irregular and tended easier. Teas in the below best category -coloury sorts were firm and tended dearer whilst poor leaf and thinner sorts declined by a similar margin. At the lower end, clean leaf teas were firm and Rs.10-20/-per kg dearer whilst the others were lower by a similar margin. Nuwara Eliyas were substantially dearer. Udapussellawas were Rs.20-30/-per kg dearer. Uva select invoices were substantially dearer whilst the others were Rs.20-30/-per kg dearer.

<u>Quotations (Rs./Kg)</u>	BOP		BOPF	
	<u>This Week</u>	<u>Last Week</u>	<u>This Week</u>	<u>Last Week</u>
Best Westerns	650-1650	620-1250	640-880	630-830
Below Best Westerns	600-640	580-610	600-630	580-620
Plainer Westerns	520-580	520-560	510-580	510-570
Nuwara Eliyas	550-1050	520-1000	610-840	570
Other Uda Pussellawas	N/A	480	470-510	450-470
Best Uva’s	620-640	650-660	600-680	610-670
Other Uva’s	530-560	530-590	550-580	560-590

MEDIUM GROWN TEAS

BOP : Rs.20-30/-per kg dearer.

BOPF: Firm to marginally easier.

<u>Quotations (Rs./Kg)</u>	BOP		BOPF	
	<u>This Week</u>	<u>Last Week</u>	<u>This Week</u>	<u>Last Week</u>
Best Westerns	530-770	520-730	450-610	470-600

CTC

PF1: High & Low Grown PF1s were sold around last levels. Clean leaf Medium Growns were firm and tended dearer, whilst others were irregular and easier.

BP1: High & Low Grown BP1’s were Rs. 20/- kg lower, whilst Medium Growns were Rs. 20/- per kg dearer.

<u>Quotations (Rs./Kg)</u>	PF1		BP1	
	<u>This Week</u>	<u>Last Week</u>	<u>This Week</u>	<u>Last Week</u>
High	400-580	420-570	400	400-520
Medium	350-510	340-510	400-500	390-400
Low	360-730	330-730	340-610	490-610

OFF GRADES

Best liquoring FNGS/FNGS1's advanced by Rs.10-20/- per kg whilst the poorer sorts too tended a little irregular. Best BP's firm on last week levels. Well made BM's too were firm to dearer whilst poorer types firm on last levels. Select best BOP1A's lost Rs.10-20/- per kg whilst poorer types lost Rs10-20/- per kg.

QUOTATIONS (Rs/kg)	HIGH		MEDIUM		LOW	
	This Week	Last Week	This Week	Last Week	This Week	Last Week
Good Fannings (Orthodox)	350-510	350-480	320-370	320-360	310-380	310-370
Good Fannings (CTC)	300-325	270-300	300-325	270-300	300-325	270-310
Other Fannings (Orthodox)	320-360	300-350	320-350	300-350	320-360	310-350
Other Fannings (CTC)	N/A	N/A	N/A	N/A	N/A	N/A
Good BM's	350-410	350-410	410-450	410-440	440-510	440-490
Other BM's	325-360	320-360	325-360	320-360	325-360	320-360
Best BOP1As	400-420	400-420	410-460	410-500	480-560	490-580
Other BOP1As	320-360	325-380	320-370	325-390	320-370	325-390

DUST

Best liquoring High Grown D/D1's appreciated by Rs.40/- per kg and at times more whilst others maintained on last levels. Secondary and poorer types were firm to easier by Rs.20-40/- per kg. Select best Low Grown D/D1's appreciated by Rs.40/- per kg, whilst the poorer sorts maintained last levels. CTC PD's were dearer by Rs.30-40/- and at times more.

QUOTATIONS (Rs/kg)	HIGH		MEDIUM		LOW	
	This Week	Last Week	This Week	Last Week	This Week	Last Week
Good Primary Dust 1(Orthodox)	850-910	830-900	540-580	540-580	500-600	420-550
Good Primary PD (CTC)	510-650	460-500	530-630	490-520	450-670	420-530
Other Primary Dust (Orthodox)	290-310	290-310	300-330	300-330	380-400	380-400
Other Primary Dust (CTC)	N/A	N/A	300-320	300-320	280-300	280-300
Secondary Dust	300-330	300-330	290-300	290-300	270-300	270-300
Poorer Dust	300-320	300-320	230--280	230--280	290-330	290-330

World Crop Statistics (MKGS)

<i>Country</i>	<i>Month</i>	<i>2018</i>	<i>2019</i>	<i>Difference +/-</i>	<i>To-date 2018</i>	<i>To-date 2019</i>	<i>Difference +/-</i>
SRI LANKA	Jan.	24.27	23.20	-1.07	24.27	23.20	-1.07

<i>Country</i>	<i>Month</i>	<i>2017</i>	<i>2018</i>	<i>Difference +/-</i>	<i>To-date 2017</i>	<i>To-date 2018</i>	<i>Difference +/-</i>
<i>BANGLADESH</i>	<i>Dec.</i>	6.5	6.3	-0.20	78.9	82.1	3.2
<i>KENYA</i>	<i>Dec.</i>	47.5	51.8	4.32	439.85	492.99	53.1
<i>MALAWI</i>	<i>Dec.</i>	5.6	6.3	0.7	45.6	50.6	5.0
<i>NORTH INDIA</i>	<i>Dec.</i>	55.0	34.8	-20.2	1087.1	1093.1	6.00
<i>SOUTH INDIA</i>	<i>Dec.</i>	16.4	19.2	2.8	234.7	218.5	-16.20
<i>UGANDA</i>	<i>Nov.</i>	5.63	3.06	-2.6	47.67	52.95	5.28

"International Tea Committee Bulletin of Statistics"

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THIS WEEK'S TOP PRICES

<u>WESTERN MEDIUM</u>			<u>UVA MEDIUM</u>			<u>LOW GROWN LEAFY</u>		
Harangalla	BOP	760/-	Halpewatte Uva	BOP	760/-	Green House	BOP1	1200/-
Kenilworth	BOPSP	770/-	Dickwella	BOP SP	630/-	*Makandura	BOP1	1150/-
*Vellai Oya	BOPF/ BOPFSP	600/-	El-Teb	BOPF/BOPFSP	600/-	Green House	OP1	1300/-
Craighead	BOPF/ BOPFSP	600/-	*Halpewatte Uva	BOPI	970/-	Ceyenta	OP1	1300/-
*Harangalla	BOPI	1150/-	Shawlands	FBOP /FBOP1	870/-	*Makandura	OP	990/-
Craighead	FBOP/FBOP1	1000/-	Halpewatte Uva	FBOPF/FBOPF1	750/-	Sunrise	OPA	880/-
*Harangalla	FBOP/FBOP1	960/-	Telebedde	OP/OPA	780/-	*Nawalakande Sup	OPA	860/-
Craighead	FBOPF /FBOPF1	900/-	Maratenne	OP/OPA	780/-	*Makandura	OPA	850/-
Deenside	OP/OPA	780/-	Aruna Passara	OP1	880/-	Liyonta	PEKOE	1060/-
*Harangalla	OP1	1000/-	*Halpewatte Uva	OP1	800/-	Suduwelipothahena	PEKOE1	1020/-
*Harangalla	PEK/PEK1	940/-	Aruna Passara	PEK / PEK1	870/-	<u>LOW GROWN TIPPY /SMALL LEAF</u>		
Dartry Valley	PEK/PEK1	930/-	New Oryan	PEK / PEK1	870/-	Sithaka	BOP	830/-
<u>WESTERN HIGH</u>			<u>UVA HIGH</u>			Devagiri	BOP	830/-
Somerset	BOP	1650/-	Attampettia	BOP	650/-	*Arbour Valley	BOP	770/-
Bearwell	BOPSP	730/-	Ranaya	BOP	650/-	Gunaradena	BOPSP	890/-
Bearwell	BOPF / BOPF SP	880/-	Uva Highlands	BOPSP	580/-	*Sithaka	BOPSP	850/-
Inverness	BOP1	1150/-	Mahadowa	BOPF/BOPFSP	680/-	Dellawa	BOPF	920/-
Inverness	FBOP/ FBOP1	1050/-	Battawatte	BOP1	770/-	Pothatuwa	BOPF	870/-
Queensberry	FBOPF/FBOPF1	700/-	Battawatte	FBOP/ FBOP1	740/-	Mulatiyana Hills	BOPFSP	940/-
Inverness	OP/OPA	740/-	Battawatte	FBOPF / FBOPF1	700/-	Gunawardena	FBOP	1000/-
Inverness	OP1	890/-	Uva Highlands	OP1	800/-	Pothatuwa	FBOP	1000/-
Inverness	PEK/PEK1	780/-	Oodowerre	OP1	800/-	Dellawa	FBOP	1000/-
Weddemulla	PEK/PEK1	780/-	Craig	OP1	800/-	Peak View Sup	FBOP	980/-
<u>NUWARA ELIYA</u>			Ampitikande	OP/OPA	730/-	*L.Kottawa	FBOP	960/-
Lovers Leap	BOP	1050/-	Uva Kellie	PEK/PEK1	820/-	*L.Pinnaduwa	FBOP1	780/-
Lovers Leap	BOPF/BOPFSP	840/-	<u>UDA PUSSELLAWA</u>			Lions	FBOP1	775/-
Court Lodge	FBOP/ FBOP1	890/-	Kirklees	BOP	590/-	*Hidellana	FBOP1	750/-
Mahagastotte	PEK / PEK1	1000/-	Lucky Land	BOPSP	460/-	Himara	FBOPF	770/-
<u>CTC TEAS</u>			Mooloya	BOPF/BOPFSP	610/-	Anadaradeniya	FBOPF	770/-
<u>HIGH GROWN</u>			*Alma	BOPI	750/-	*L.Kottawa	FBOPF	760/-
Dunsinane CTC	PF1	580/-	*Alma	FBOP/ FBOP1	760/-	*L. Pinnaduwa	FBOPF	750/-
Mt. Vernon CTC	BPS	560/-	*Alma	FBOPF/FBOPF1	720/-	*L.Kottawa	FBOPF1	800/-
<u>MEDIUM GROWN</u>			*Alma	FBOPF/FBOPF1	700/-	*L.Pinnaduwa	FBOPF1	790/-
*Carolina CTC	PF1	510/-	*Alma	OP/OPA	680/-	*N.Mount Carmel	FBOPF1	790/-
*Strathdon CTC	BP1	500/-	Alma	OP1	790/-	*Wikiliya	FBOPF1	790/-
*Carolina CTC	BPS	450/-	*Alma	PEK /PEK1	880/-	*Makandura	FBOPF1	780/-
<u>LOW GROWN</u>			<u>OFF GRADES</u>			New Hopewell	FBOPF1	780/-
Hingalgoda CTC	PF1	730/-	*Chandrika Estate	BM	590/-	<u>PREMIUM FLOWERY</u>		
Henathenna CTC	BP1	610/-	*Wewalkandura	BM	570/-	New Nivithigala	FBOPFSP	1700/-
Cecilayan CTC	BPS	640/-	*L.Okanda	BM	570/-	Nilgiri	FBOPFEXSP	1550/-
			*Narangalla Sup	BP	710/-	Karagoda	FBOPFEXSP	1100/-
			Mahadowa	FNGS/FNGS1	590/-	*Makandura	FBOPFEXSP	1050/-
			Hingalgoda CTC	PFGS	670/-	Samwin	FBOPFEXSP1	1250/-
			*Chandrika Estate	BOPIA	680/-			
			*Aldora	BOPIA	670/-	<u>DUST</u>		
			*L.Ihalagoda	BOPIA	650/-	Mattakelle	DUST1	940/-
						Dunsinane CTC	PD	650

* Sold by Lanka Commodity Brokers Ltd

+++ All Time Record Price

++ Equal All Time Record Price

MONTHLY AVERAGE - FEBRUARY, 2019

Elevation	Orthodox		CTC		Orth. & CTC Combined	
	Month	To-date	Month	To-date	Month	To-date
Uva High	523.33	509.80	-	-	523.33	509.80
Western High	603.56	612.78	492.10	515.79	595.70	605.44
Uva Medium	535.78	525.53	-	-	535.78	525.53
Western Medium	517.52	519.79	443.24	460.16	499.62	505.42
Low Grown	620.01	620.43	415.57	437.18	605.47	608.35
TOTAL	597.73	598.54	434.10	454.93	583.44	586.52

COLOMBO AUCTION – GROSS SALE AVERAGES

SALE NO.09 OF 27TH FEBRUARY, 2019

	Weekly	2019		2018	
		Month to Date	Year to Date	Weekly	Year to Date
Uva High Grown	513.24	528.78	501.30	582.56	586.87
Western High Grown	580.04	597.65	599.65	651.50	660.62
High Grown	564.42	580.99	573.63	638.26	643.79
Uva Medium	540.84	537.43	523.04	579.65	566.59
Western Medium	484.37	502.01	503.65	562.88	572.23
Medium Grown	496.23	510.73	508.56	567.06	570.59
Low Grown (Orthodox)	628.94	620.30	620.56	645.77	657.23
Combined L.G. (Orthodox + CTC)	611.20	605.79	607.99	639.38	650.34
Total	581.76	584.42	585.08	628.25	637.06

DETAILS OF TEAS AWAITING SALES

	<u>Sale of 12th/13th Mar.'19</u>		<u>Sale of 18th/19th Mar.'19</u>	
	Lot	Qty. (Kgs)	Lot	Qty. (Kgs)
Low Grown Leafy	3,765	1,717,415	3,894	1,792,507
Low Grown Tippy	1,959	1,034,126	1,991	1,059,352
High & Medium	1,292	648,990	1,296	653,851
Off Grade/BOP1A	2,189	1,227,897	2,259	1,319,283
Dust	610	624,886	632	664,867
Premium Flowery	260	46,749	272	47,384
Ex-Estate	852	964,502	902	1,014,707
Total	<u>10,927</u>	<u>6,264,565</u>	<u>11,246</u>	<u>6,551,951</u>

Weekly Private Sale Figures (From 25/02/2019 – 02/03/2019) - 141,415.90 Kgs
 Cumulative - 1,081,826.95 Kgs

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CROP & WEATHER
For the period 25th February to 03rd March, 2019.

Western Region: Bright weather with occasional showers in the past week. Intermittent showers are expected in the region in the week ahead according to The Department of Meteorology. **Nuwara Eliya Region:** Bright weather was reported throughout the week. **Uva/Udapussellawa Regions:** During the past week, bright weather with scattered showers was reported in both regions. However, The Department of Meteorology predicted thundershowers in the days to come. **Low Grown:** Both Ruhuna and Sabaragamuwa regions reported bright weather at the beginning of the week and evening showers during the latter part of the week. Rain is expected to continue in the week ahead according to The Department of Meteorology.

Crop Intake: All planting regions have maintained.

CATALOGUES

Sale No. 12 of 18th & 19th March, 2019.

The Main Sale & Ex-Estate Sale catalogues closed on **28th February, 2019** at **04.30 p.m.**

Sale No. 13 of 26th & 27th March, 2019.

The Main Sale & Ex-Estate Sale catalogues are scheduled to be closed on **7th March 2019** at **04.30 p.m.** but sale will be closed before the scheduled date when the number of lots is reached.

Sale No. 14 of 02nd & 03rd April, 2019.

The Main Sale & Ex-Estate Sale catalogues are scheduled to be closed on **14th March, 2019** at **04.30 p.m.** but sale will be closed before the scheduled date when the number of lots is reached.

BROKER'S ORDER- SALE NO.11

Auction of 12th/13th March, 2019 - Main Sale

Leafy/Tippy/BOP1A/ Premium

1. Asia Siyaka Commodities PLC
2. John Keells PLC
3. Eastern Brokers (Pvt) Ltd
- 4. Lanka Commodity Brokers Ltd**
5. Mercantile Produce Brokers (Pvt) Ltd
6. Bartleet Produce Brokers (Pvt) Ltd
7. Forbes & Walker Tea Brokers (Pvt) Ltd
8. Ceylon Tea Brokers PLC

High & Medium/Off Grades/Dust

1. Eastern Brokers (Pvt) Ltd
2. Ceylon Tea Brokers PLC
- 3. Lanka Commodity Brokers Ltd**
4. Bartleet Produce Brokers (Pvt) Ltd
5. Forbes & Walker Tea Brokers (Pvt) Ltd
6. Mercantile Produce Brokers (Pvt) Ltd
7. Asia Siyaka Commodities PLC
8. John Keells PLC

Auction of 13th March, 2019 - Ex-Estate

1. John Keells PLC
2. Asia Siyaka Commodities PLC
3. Bartleet Produce Brokers (Pvt) Ltd
4. Forbes & Walker Tea Brokers (Pvt) Ltd
5. Ceylon Tea Brokers PLC
6. Eastern Brokers (Pvt) Ltd
7. Mercantile Produce Brokers (Pvt) Ltd
- 8. Lanka Commodity Brokers Ltd**

LCBL APPROXIMATE SELLING TIME

Tuesday 12th March'19

- High & Medium : 09.00 a.m.
- Low Grown Tippy : 10.35 a.m.
- Premium Flowery : 11.40 a.m.
- Low Grown Leafy : 11.15 a.m.
- BOP1A : 03.15 p.m.

Wednesday 13th March'19

- Ex-Estate : 12.00 p.m.
- Off Grades : 09.05 a.m.
- Dust : 12.55 p.m.

International Tea News

Storm in a teacup? Dar, Kampala exporters seek to exit Mombasa auction.

In Summary

- Tanzania said it was planning its own tea auction in Dar es Salaam.
- Uganda had in March this year, said it was planning to market its own tea directly to buyers.
- Kenyan industry players say another auction in Tanzania or Uganda is infeasible due to low volumes.
- The Mombasa tea auction has more than 70 buyers worldwide, with Pakistan being the largest market, accounting for 40 per cent.

A push by Tanzania and Uganda to have their own tea auction could destabilize incomes, coming at a time that production and prices in the region have been falling. Last week, Tanzania said it was planning its own tea auction in Dar es Salaam. Uganda had in March this year, said it was planning to market its own tea directly to buyers as it sought better prices, effectively pulling out of the Mombasa auction, the second largest in the world, after Colombo. Kampala has since rescinded the decision. Kenyan tea industry players, however, believe that the two countries' push for another auction outside Mombasa, which serves the region, with offerings from at least 10 countries as far afield as Madagascar, Zimbabwe and the Democratic Republic of Congo, is infeasible due to low volumes from those two markets. Uganda's concerns emanate from what it says is loss of identity of its tea once it enters the Mombasa auction, as it is labelled as Kenyan. "Once our tea is exported through Mombasa, it loses identity because it lacks the proper packaging. This means it inherits Kenya as the origin in the export market, losing its identity to the advantage of Kenya," said Othieno Odoi a, senior planner in charge of trade at Uganda's National Planning Authority. Mr Odoi added that the country is yet to complete the feasibility study that would determine whether the market would be viable for a Kampala auction. "We are also tied down by some challenges, including transportation. However as the country improves on the infrastructure front, it could address some of these constraints making a reality of the aspirations of having our own auction," Mr Odoi said. The chairman of the Tanzania Tea Board Steven Mloti said last week that the country's push for an auction is driven by the need to lower the transport costs to Mombasa, and boost farmers' earnings. "We are establishing a warehouse in Dar es Salaam before launching our own auction," he said. "This will boost business in the Dar es Salaam port too." But East African Tea Traders Association (Eatta) managing director Edward Mudibo said he is yet to receive a complaint from the Ugandan tea traders, adding that Dar es Salaam cannot sustain an independent auction. "We have not yet not received any information regarding Ugandan exporters complaining about the Mombasa auction. Most importantly, quantity makes a tea auction sustainable, which Kenya enjoys. The Mombasa auction is unique because it is the only one with 10 countries including Madagascar, Ethiopia, Mozambique, Burundi, Tanzania, Rwanda and Uganda," said Mr Mudibo. However, George Sekitoleko, the executive secretary Uganda Tea Association, said it was not currently feasible for Uganda to start a tea auction because of the small volumes and poor quality produced. "As it is, this idea is not feasible now because we don't have the volumes and the high quality to attract premium buyers," said Mr Sekitokelo. The Mombasa tea auction has more than 70 buyers worldwide, with Pakistan being the largest market, accounting for 40 per cent. As at June this year, the Kenyan tea output was 198,000 tonnes, which sold at an average price of \$2.6 per kilogramme, followed by Uganda's 30,000 tonnes which fetched an average of \$1.57 a kilo. Rwandan tea, which recorded the third highest volume of 10,000 tonnes fetched the highest price of \$2.897 per kilo, while Tanzania's 7,000 tonnes fetched \$1.65 for a kilogramme of the leaf. Burundi sold 5,000 tonnes of the product at an average \$2.62 per kilo, while Mozambique sold 446 tonnes, each averaging \$1.24 a kilo. The Ethiopian tea stood at 286 tonnes fetching \$1.53 a kilo, while 15 tonnes of Madagascar tea was sold at the auction at an average price of \$1.47 per kilogram. "This is what went through at the auction and the average prices. For Tanzania, the average price was \$1.65 when Rwanda was fetching the highest at \$2.97. From the economics, it will be difficult to compete with the lower quantity," said Mr Mudibo, adding that there must be enough produce for another regional auction to thrive. If Tanzania pulls out from Eatta, the Mombasa tea auction will lose about 12,000 tonnes annually. Kampala exports more than 60,000 tonnes of tea through the Mombasa Tea Auction, data from the Uganda Tea Association shows. "But Uganda will also be impacted, since they are not likely to realise competitive prices because of limited buyers as compared with the current 70 at the Mombasa auction. What has made this auction thrive is the fact that we have tea from 10 countries and different varieties from 67 KTDA factories that gives you a big framework. Let us pride ourselves as African tea," said Mr Mudibo. Eatta says it is yet to receive any formal communication from Tanzanian authorities on the matter. "The threshold is minimal for Tanzania. If they move out, it would not significantly change the trading at the auction floor: Their members bring their tea to Mombasa, so who is this purporting to talk on behalf of the investors and farmers? Who will put up the asset? They need an auction floor, where will that facility be? Who will run it? They need brokers and buyers," Mr Mudibo said. He added: "If you need an auction there must be uniqueness; it must be multi-origin; 10 countries offer their tea in Mombasa. A wise buyer or exporter would rather go to a one-stop shop than going to 10 destinations to buy tea." Malawi has a tea auction but it still trades at the Mombasa auction, showing the complexities of the tea trade. "Limbe auction in Malawi is small. It takes about an hour due to the small volumes. There are only two brokers and six serious buyers but only four are active. There are producers in Malawi who still believe in the Mombasa auction and are ready to bear the transport costs because they still make a profit.

International News Flash

India has withdrawn most favored nation (MFN) status from Pakistan and therefore, Pakistan will surely be a bigger buyer of Kenyan tea.

“Pakistan imports around 65-70 million kg of tea from Kenya annually and this is bound to increase. This was reflected in the price movement. Kenyan teas rose by ₹ 12-15 a kg today,” said Dipa Shah, chairman of The South India Tea Exporters Association.

These might be salad days for the tea crew like it once was for the coffee kings when we were coffee kingpins in the 1970s when Brazil's coffee crop was knocked out by a frost.

Courtesy: The Star, Kenya.

OTHER MARKETS

MOMBASA TEA AUCTION MARKET REPORT NOT AVAILABLE AT THE TIME OF PRINTING

Jakarta Auction No.09 of 6th March 2019.

Orthodox	8,220 Sacks (438,760 Kgs)
CTC	1,240 Sacks (71,980 Kgs)
Total	9,460 Sacks (510,740 Kgs)

Irregular demand.

Java strong Sumatra less so. Russia very active and forcing for larger shares. Van Rees bought across the board and were compelled to pay enhanced levels by competing with Lipton For PF. Lipton often out priced. Japan quiet. UK/Europe Active. USA less interest. Pakistan limited buying.

Java - BOP increased substantially over last rates. The corresponding BOPF Good withdrawn with Sellers asking for more. Others Irregularly easier. PF 4—8 Cents dearer with brighter lots more so. Dust 2—3 Cents lower. Powdery sorts withdrawn. BT and other Off Grades remained firm.

Sum - BOP none available the corresponding BOPF sold 2—3 Cents Below last. PF sold at firm rates. Few Dust increased by 5—10 Cents. Powdery sorts irregular with prices often lower. BT unquotable while Other Off Grades sold at last rates.

CTC- There were no BP1 nor PF 1 on offer this morning. Few PD were withdrawn due to Sellers higher limits. Few D1 sold 2—3 Cents higher. Fannings 3—4 Cents dearer. D2 gained by 2—4 Cents.

SOUTH INDIAN ROUND-UP FOR THE WEEK ENDING 2ND MARCH - 2019.

KOCHI

CTC LEAF

Demand: Fair demand. Market tending barely steady for the broken and selective lines moved up in value. Fannings ruled at fully firm levels to occasionally dearer levels with fair support from Internal and Upcountry buyers. Export buyers lent fair support for plainer fannings.

LEAF-ORTHODOX:

Demand: Good demand.

Market: Market ruled at barely steady levels for the well-made whole leaf and smaller broken, particularly for the best Nilgiri. However, Medium Broken and Fannings and Plainer sorts witnessed good demand at steady levels.

Buying Pattern: CIS/Middle East exporters were selective. Upcountry buyers lent support on whole leaf grades.

DUST

Demand: Fair demand.

Market: Best liquoring popular finer and bolder grades were selling at irregular and lower levels. Plainer bolder sorts were selling at fully firm levels with fair export enquiry.

Buying Pattern: Major blender AVT and KSCSC were active on the best mediums with fair support from regional packeters. Domestic buyers were fairly active in their purchases. Exporters were active on their purchase.

COONOR

CTC LEAF

Demand: Strong.

Market: Generally a fully firm to occasionally dearer market overall. However the Plainer types have sold at barely steady to easier levels.

Buying Pattern: Strong operation from the Major Blender with fairly good support from the Internal Buyers. Exporters were buying selectively.

ORTH LEAF

Demand: Good.

Market: Fully firm on the Whole leaf grades with the others being irregular and mostly easier.

Buying Pattern: Exporters were active with internal buyers being selective.

CTC DUST

Demand: Strong.

Market: The Best and Better liquoring teas were selling at rather barely steady to irregularly easier levels. However the Medium and lower categories were fully firm to dearer by Rs. 2/- to Rs. 3/ and sometimes more.

Buying Pattern: Equally good enquiry was forthcoming from all quarters of the Buyers with Pooja Trading Company continuing to support the Premium categories.

ORTH DUST

Demand: Good.

Market: Barring a few popular marks primary grades which were selling at fully firm to dearer levels, others were mostly irregular and easier with an overall average drop of a Re.

Buying Pattern: Strong Internal operation with very selective export enquiry.

COIMBATORE

CTC LEAF

Demand: Good general demand.

Market: Better medium smaller broken and BOPF's were fully firm to occasionally dearer with some withdrawals. Mediums irregular. Plainer teas were fully firm to dearer by Re.1/-.

Buying Pattern: Good general demand. Whole leaf were irregular and dearer. Others lower by Rs.2/-.

CTC DUST

Demand: Good general demand.

Market: Better liquoring and popular sorts were fully firm to occasionally dearer. Mediums were irregular and lower by Re.1/- to Rs.2/- with some withdrawals. Plainer varieties were fully firm to dearer by Re.1/- to Rs.2/-.

Buying Pattern: Fair demand. Irregular and lower by Rs.2/-.

Source: Paramount Tea Marketing (SI) Private Limited.

6th March, 2019.

-/tp