



Commodity House

TEA MARKET REPORT

SALE NO: 33 of August 23 & 24, 2022

LANKA COMMODITY BROKERS LTD

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COMMENTS

Both Western and Uva regions reported clear weather during the initial part of last week, but has since experienced showery conditions. Low Grown plantations mostly had dull and overcast skies with only occasional bursts of sunshine. The Western Medium elevation reported a sharp decline in crop intakes whilst other regions recorded a maintained crop harvest.

This week's tea auction (Sale # 33) was conducted on August 23 & 24, 2022 (Tue/Wed), with a weight of 4.7 mkg, a drop of 356,951 kgs over the previous sale. The Low Grown Leafy, Semi Leafy, Tippy & Small Leaf/Premium Flowery catalogues totaled 2.1 mkg, while the Main Sale High & Medium segment had 0.52 mkg. The Ex Estate category had 0.64 mkg.

There was good general demand, mostly at lower level for Ex Estate teas. Best Western BOP's / BOPF's were firm around last levels whilst below-best and plainer descriptions were irregular following quality. Nuwara Eliya BOP's were barely maintained while their corresponding BOPF's were mostly firm. Selected, Uva / Uda Pussellawa BOP's and BOPF's were firm, but poorer sorts eased up to Rs. 50/- and more. CTC Teas – High Grown PF1's declined up to Rs. 400/- and more, while the better made, high priced Mediums were generally lower up to Rs. 100/-. Low Grown PF1's eased up to Rs. 300/- on average. High Grown BP1's were firm whilst Mediums were irregular and easier. Low Grown types mostly sold around last levels. There was more selective demand from Japan, Germany and other European markets for the better liquoring teas. Buyers for China, Taiwan and Hong Kong were fairly active. Russian interest was maintained at lower levels.

Good demand was seen for Low Grown teas. Select best OP1's were firm while improved below-best teas were firm to selectively dearer. Well-made OP's/OPA's were fully firm to dearer while poorer sorts maintained last levels. Select best BOP1's were barely steady while poorer teas held firm. Well made Pek/Pek1's generally gained on last while lesser sorts were maintained. Stylish FBOP's / FBOPF1's were firm while cleaner below-best teas ruled firm to dearer. There was good demand from buyers for the Middle East whilst the CIS shippers were also active. Demand from Russia continued to be strong. Turkey and Syria were active for Pekoe grades. Libya continued to actively bid for secondary leafy grades, whilst Iraq concentrated on bottom level teas.

This week's auction comprised of 9,476 lots with a total quantity of 4,780,368 kgs.

The catalogue wise breakdown was as follows:-

| | Lot | Qty.(Kgs) |
|----------------------|---------------------|-------------------------|
| Low Grown Leafy | 1,827 | 718,700 |
| Low Grown Semi Leafy | 1,155 | 476,935 |
| Low Grown Tippy | 1,780 | 862,220 |
| High & Medium | 1,162 | 528,692 |
| Off Grade/BOP1A | 2,157 | 1,134,813 |
| Dust | 392 | 346,324 |
| Premium Flowery | 412 | 66,694 |
| Ex-Estate | <u>591</u> | <u>645,990</u> |
| Total | <u>9,476</u> | <u>4,780,368</u> |

In Lighter Vein

You're in Trouble Now

After a thorough investigation, a rich gangster finds out that his bookkeeper has cheated him out of 10 million bucks. His bookkeeper is deaf and that was the reason he got the job in the first place. It was assumed that a deaf bookkeeper would not hear anything that he might have to testify about in court. When the mobster goes to confront the bookkeeper about his missing \$10 million, he brings along his attorney, who knows sign language.

The Godfather tells the lawyer 'Ask him where the \$10 million bucks he embezzled from me is'. The attorney, using sign language, asks the bookkeeper: "Where is the money?" The bookkeeper signs back: 'I don't know what you are talking about'. The attorney tells the gangster: 'He says he doesn't know what you're talking about'.

The gangster pulls out a pistol, puts it to the bookkeeper's temple and says, 'Ask him again!' The attorney signs to the bookkeeper: 'He'll kill you if you don't tell him!' The bookkeeper signs back: 'OK! OK! You win! The money is in a brown briefcase, buried behind the shed in my cousin Enzo's backyard in Queens!'

The Godfather asks the attorney: 'Well, what'd he say?' 'He says you don't have the guts to pull the trigger.'

LOW GROWN TEAS

LEAFY/SEMI LEAFY

- BOP1** : Well-made teas maintained last levels whilst others were irregularly lower by Rs.40-60/- per kg.
- OP1** : Below best types gained Rs.30-50/- per kg whilst others declined by Rs.40-0/- per kg.
- OP** : Stylish OP's gained Rs.30-50/- per kg whilst others were firm on last levels.
- OPA** : Best on offer gained Rs.20-40/- per kg whilst others were firm to dearer.
- PEK/PEK1** : Best on offer maintained last levels whilst below best and secondaries declined as the sale progressed.

| 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 | 2800-3850 | 2800-3900 | 1600-2800 | 1800-2800 | 1500-1600 | 1600-1800 |
| OP1 | 2400-3550 | 2300-3650 | 1600-2400 | 1700-2300 | 800-1600 | 1000-1700 |
| OP | 1600-2550 | 1500-2350 | 1100-1600 | 1000-1500 | 600 - 1100 | 600 - 1000 |
| OPA | 1600-2550 | 1400-2450 | 1000-1600 | 800 - 1400 | 550-1000 | 500 - 800 |
| PEK/PEK1 | 1700-2600 | 1700-2600 | 1300-1700 | 1400-1700 | 900 - 1300 | 900 - 1400 |

TIPPY/SMALL LEAF

- BOP/BOPSP** : Select best and best BOP's were firm whilst below best and cleaner teas at the bottom appreciated. Balance sold around last levels.
- BOPF/BOPFS** : Select best and best BOPF were firm. Balance declined following quality.
- FBOP/FBOP1** : Well-made FBOP's were firm whilst cleaner below best and cleaner teas at the bottom appreciated. Balance sold on last levels. FBOP1's in general were firm.
- FBOPF/FBOPF1** : Tippy teas together with best declined. However cleaner below best were firm on last. Balance too eased. Well-made FF1's were firm whilst cleaner below best and cleaner teas at the bottom appreciated. Balance sold around last levels.
- FBOPFSP/EXSP** : Very few select best invoices held firm whilst balance best and the below best declined.

| 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 | 2400 - 2800 | 2400 - 2850 | 2000 - 2400 | 2000 - 2400 | 950-2000 | 900 - 2000 |
| BOPF /BOPFSP | 2000-2850 | 2200 - 2800 | 1700-2000 | 1800 - 2200 | 900 -1700 | 900 - 1800 |
| FBOP/FBOP1 | 2800-3550 | 3000 - 3700 | 23200-2800 | 2400 - 3000 | 1800-2200 | 1500 - 2400 |
| FBOPF/FBOPF1 | 2600-3400 | 2700 - 3300 | 2000 - 2600 | 2000 - 2700 | 1600 - 2000 | 1600 - 2000 |
| FBOPFSP/EXSP | 6000-10100 | 7000 - 10950 | 3000 - 6000 | 3000 - 7000 | 2000 - 3000 | 2000 - 3000 |

MEDIUM GROWN LEAFY/SEMI LEAFY TEAS

- FBOP** : Well-made FBOP's maintained last levels. Below best and the porter sorts tended irregular.
- FBOPF/FBOPF1** : Neat teas on offer was in favour demand. The below best and lower end varieties tended irregularly lower.
- PEK/PEK1** : Well-made shotty invoices appreciated fairly sharply. Teas at the below best and bottom varieties too sold well.

| 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> |
| FBOP | 1800-3000 | 1800- 3400 | 1450-1800 | 1400-1800 | 1250-1450 | 1200-1400 |
| FBOPF/FBOPF1 | 1850-2650 | 1800-2700 | 1300-1850 | 1400-1800 | 1000-1300 | 1100 - 1400 |
| PEK/PEK1 | 1500-2200 | 1400-2150 | 1200-1500 | 1000-1400 | 1000-1200 | 850 - 1000 |

HIGH GROWNS TEAS

- BOP** : Best Western's were maintained around last week's levels. Teas in the Below Best category were irregular, whilst the plainer sorts were up to Rs. 50 per kg dearer. Nuwara Eliya's were barely maintained. Uva/Uda Pussellawa's - Select neat well-made teas were firm, whilst the others declined by Rs. 50 per kg and at times more.
- BOPF** : Best Western's - Select Best were firm around last week s levels, whilst the others declined by Rs. 50 per kg. Teas in the Below Best category were often irregular following quality, whilst the Plainer sorts were barely steady. Nuwara Eliya's were mostly firm. Uva/Uda Pussellawa's - Clean leaf types were firm and up to Rs. 50 per kg dearer, whilst the others were irregular and lower by a similar margin.

| Quotations (Rs./Kg) | BOP | | BOPF | |
|--------------------------------|------------------|------------------|------------------|------------------|
| | <u>This Week</u> | <u>Last Week</u> | <u>This Week</u> | <u>Last Week</u> |
| Best Westerns | 1600-2600 | 1600-1800 | 1700-1850 | 1750-2000 |
| Below Best Westerns | 1400-1550 | 1350 - 1550 | 1450-1600 | 1550-1700 |
| Plainer Westerns | 1280-1380 | 1200 - 1300 | 1340-1440 | 1380-1500 |
| Nuwara Eliyas | 1500-1900 | 1550 - 1750 | 1400-1480 | 1460 |
| Brighter UdaPussellawas | 1360-1440 | 1300 - 1500 | 1500-1550 | 1440-1550 |
| Other Uda Pussellawas | 1280-1320 | 1220 - 1280 | 1420-1480 | 1320-1400 |
| Best Uva's | 1500-2400 | 1460 - 3000 | 1500-2700 | 1500-2950 |
| Other Uva's | 1380-1440 | 1300-1420 | 1300-1480 | 1300-1460 |

MEDIUM GROWN TEAS

BOP : Continued to sell around last.

BOPF : Mostly sold around last week's levels.

| Quotations (Rs./Kg) | BOP | | BOPF | |
|----------------------|------------------|------------------|------------------|------------------|
| | <u>This Week</u> | <u>Last Week</u> | <u>This Week</u> | <u>Last Week</u> |
| Best Westerns | N/A - 2550 | 1020-2500 | 920 - N/A | 940 - N/A |

CTC TEAS**HIGH GROWN**

BP1 : Firm.

PF1 : Declined up to Rs.400/- per kg and more for select high priced teas of last week.

MEDIUM GROWN

BP1 : Irregular.

PF1 : Select high priced teas declined Rs.100/- per kg and more whilst the others were irregular and lower by a lesser extent.

LOW GROWN

BP1 : Sold around last week's levels.

PF1 : Declined up to Rs.300/- per kg on average.

| Quotations (Rs./Kg) | BP1 | | PF1 | |
|---------------------|------------------|------------------|------------------|------------------|
| | <u>This Week</u> | <u>Last Week</u> | <u>This Week</u> | <u>Last Week</u> |
| High | 970 - 1020 | 1040 - 1400 | 1300 - 1850 | 1300 - 2250 |
| Medium | 750 - 1180 | 700 - 1220 | 740 - 1750 | 730 - 1800 |
| Low | 800 - 1440 | 860 - 1500 | 810 - 2700 | 1040 - 1500 |

OFF GRADES

FGS/FGS1 :

Select best Liquoring FNGS/FNGS1s' maintained last week levels whilst others firm on last. Clean Low Grown well-made FNGS1's lost Rs.20-40/- per kg and others were a little irregular.

BM :

Well-made BM's appreciated Rs.50-100/- per kg. Best types were a little irregular. Lower end teas were dearer Rs.50-70/- per kg and at times more.

BOPIA :

Select best BOP1A's advanced Rs.50-80/- per kg. Below best teas dearer by Rs.50-75/- per kg. Poor types gained by Rs.50-80/- per kg.

| QUOTATIONS (Rs./kg) | HIGH | | MEDIUM | | LOW | |
|------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | <u>This Week</u> | <u>Last Week</u> | <u>This Week</u> | <u>Last Week</u> | <u>This Week</u> | <u>Last Week</u> |
| Good Fannings (Orthodox) | 800 - 1450 | 800 - 1420 | 630 - 770 | 630 - 780 | 650 - 1050 | 650 - 1150 |
| Good Fannings (CTC) | 580 - 750 | 580 - 770 | 580 - 720 | 580 - 790 | 550-700 | 580 - 790 |
| Other Fannings (Orthodox) | 550 - 720 | 550 - 750 | 550 - 730 | 550 - 770 | 550 - 710 | 550 - 780 |
| Other Fannings (CTC) | N/A | N/A | N/A | N/A | N/A | N/A |
| Good BM's | 680-770 | 650 - 750 | 680-790 | 650 - 760 | 690-950 | 650 - 850 |
| Other BM's | 570-680 | 530 - 640 | 580-690 | 530 - 640 | 570-690 | 530 640 |
| Best BOPIAs | 690 - 720 | 690 - 720 | 750-850 | 720 - 780 | 1200 - 1850 | 1200 - 1800 |
| Other BOPIAs | 620-710 | 550 - 630 | 600-710 | 550 - 640 | 600-730 | 550 640 |

DUST

DUST/DUST1 : Liquoring High Grown D/D1's were firm to lower by Rs.10-30/- per kg and at times more; others were firm on last levels. Low Grown Clean Dust/Dust1's were irregularly lower by Rs.10-20/- per kg whilst Below Best teas were firm on last levels.

PD : PD's from High & Medium elevations lost by Rs.30-50/- per kg whilst Low Grown PD's held at last levels.

| QUOTATIONS (Rs./kg) | HIGH | | MEDIUM | | LOW | |
|----------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | <u>This Week</u> | <u>Last Week</u> | <u>This Week</u> | <u>Last Week</u> | <u>This Week</u> | <u>Last Week</u> |
| Good Primary Dust1 (Orthodox) | 1300-1800 | 1550-2650 | 1000-1360 | 1000-1380 | 800 - 1340 | 800-1800 |
| Good Primary PD (CTC) | 950-1400 | 980-1440 | 1000-1360 | 1000-1380 | 1100 - 1850 | 1100 - 2000 |
| Secondary Dust | 640-750 | 650-750 | 640 - 750 | 650 - 750 | 630 - 720 | 650 - 750 |

| WESTERN MEDIUM | | | UVA MEDIUM | | | LOW GROWN LEAFY GRADES | | |
|-----------------------|-----|--------|-------------------|---------|--------|-------------------------------|------|--------|
| Harangalla | BOP | 2550/- | Dickwella | BOP +++ | 2550/- | Sithaka | BOP1 | 3850/- |



* Sold by Lanka Commodity Brokers Ltd / +++All Time Record Price / ++ Equal All Time Record Price



COLOMBO AUCTION – WEEKLY GROSS SALE AVERAGESSALE NO.32 OF 17TH AUGUST 2022

| | 2022 | | | 2021 | |
|---------------------------------------|----------|---------------|--------------|--------|--------------|
| | Weekly | Month to Date | Year to Date | Weekly | Year to Date |
| Uva High Grown | 1,352.55 | 1,330.75 | 994.16 | 540.29 | 553.59 |
| Western High Grown | 1,519.90 | 1,524.53 | 979.83 | 570.94 | 600.67 |
| High Grown | 1,454.80 | 1,442.78 | 984.58 | 559.81 | 586.63 |
| Uva Medium | 1,389.69 | 1,371.26 | 1,060.11 | 571.93 | 571.29 |
| Western Medium | 1,209.20 | 1,200.19 | 888.51 | 508.43 | 545.77 |
| Medium Grown | 1,262.34 | 1,252.75 | 941.56 | 529.30 | 553.44 |
| Low Grown (Orthodox) | 1,657.57 | 1,601.64 | 1,263.71 | 624.55 | 658.85 |
| Combined L.G. (Orthodox + CTC) | 1,650.20 | 1,597.80 | 1,237.45 | 619.74 | 650.30 |
| Total | 1,547.52 | 1,510.37 | 1,132.96 | 591.95 | 620.04 |

Private Sale Figures (08.08.2022 - 13.08.2022) - 59,826.50Kgs

Cumulative - 2,697,015.58Kgs

DETAILS OF TEAS AWAITING SALE

| | <u>Sale of 30th /31st Aug.'22</u> | | <u>Sale of 06th /07th Sep.'22</u> | |
|----------------------|---|-------------------------|---|-------------------------|
| | <u>Lots</u> | <u>Qty. (Kgs)</u> | <u>Lots</u> | <u>Qty. (Kgs)</u> |
| Low Grown Leafy | 1,741 | 668,436 | 1,643 | 614,500 |
| Low Grown Semi Leafy | 1,123 | 456,045 | 1,008 | 401,168 |
| Low Grown Tippy | 1,787 | 850,733 | 1,576 | 757,094 |
| High & Medium | 1,102 | 480,318 | 1,043 | 481,323 |
| Off Grade/BOP1A | 1,972 | 1,058,050 | 2,076 | 1,067,921 |
| Dust | 358 | 326,986 | 383 | 330,972 |
| Premium Flowery | 477 | 73,037 | 367 | 56,689 |
| Ex-Estate | <u>479</u> | <u>528,348</u> | <u>456</u> | <u>510,023</u> |
| Total | <u>9,039</u> | <u>4,441,953</u> | <u>8,552</u> | <u>4,219,690</u> |

FUTURE CATALOGUES CLOSURESale No. 36 of 13th /14th September, 2022

The Main Sale & Ex-Estate Sale catalogues are scheduled to be closed on 25th August, 2022 at 04.30 p.m.

Sale No. 37 of 20th /21st September, 2022

The Main Sale & Ex-Estate Sale catalogues are scheduled to be closed on 01st September, 2022 at 04.30 p.m.

Sale No.38 of 27th /28th September, 2022

The Main Sale & Ex-Estate Sale catalogues are scheduled to be closed on 08th September, 2022 at 04.30 p.m.

BROKER'S SELLING ORDER

SALE NO.34

Auction of 30th & 31st August, 2022

Leafy/Tippy/BOP1A/Premium Flowery

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

High & Medium/Off Grades/Dust

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

Ex-Estate

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

CROP & WEATHER

For the period of 15th to 21st August, 2022

Western/Nuwara Eliya Regions

Both regions reported clear weather throughout the week. Evening showers are expected in the Nuwara Eliya Region in the week ahead according to the Department of Meteorology.

Uva/Udapussellawa Region

Bright weather was reported in both regions throughout the week. The Department of Meteorology expects showery conditions in both regions in the week ahead.

Low Grown

Overcast weather with spells of sunshine was reported in the Low Grown Region during the week. Fairly heavy rainfall (above 75 mm) is expected in the Ruhuna and Sabaragamuwa regions in the week ahead.

Crop Intake

The Western High, Nuwara Eliya, Uva, Udapussellawa and Low Grown regions maintained the crop intake, whilst the Western Medium Region reported a decline.



WORLD CROP STATISTICS (MKGS)

| Country | Month | 2021 | 2022 | Difference +/- | To-date 2021 | To-date 2022 | Difference +/- |
|--------------------|--------------|--------------|--------------|----------------|---------------|---------------|----------------|
| SRI LANKA | <i>July</i> | 26.38 | 19.86 | -6.52 | 188.09 | 153.03 | -35.06 |
| BANGLADESH | <i>June</i> | 13.35 | 12.59 | -0.76 | 25.43 | 27.06 | 1.63 |
| KENYA | <i>April</i> | 44.30 | 41.20 | -3.10 | 185.30 | 177.00 | -8.3 |
| NORTH INDIA | <i>June</i> | 145.70 | 117.0 | -28.70 | 325.30 | 342.40 | 17.10 |
| SOUTH INDIA | <i>June</i> | 24.30 | 25.30 | 1.00 | 122.80 | 119.00 | -3.80 |
| MALAWI | <i>April</i> | 6.40 | 7.10 | 0.70 | 28.60 | 26.00 | -2.6 |
| TANZANIA | <i>Mar.</i> | 3.33 | 7.89 | 4.56 | 9.41 | 13.04 | 3.6 |
| UGANDA | <i>Mar.</i> | 5.56 | 4.35 | -1.2 | 18.49 | 15.91 | -2.58 |

“Africa Tea Brokers Bulletin of Statistics”

OTHER MARKETS

MALAWI TEA MARKET REPORT - SALE 34 of 24/08/2022

Less demand continued with few PF1's and lower end F2 supported at firm levels.

WEATHER/CROP FOR THE WEEK ENDING 21ST AUGUST, 2022

Partly cloudy, windy with some showers recorded.

Crop intakes improving with more tipping leaf coming in.

| Buyers | Purchases (PKGS) |
|--------------|------------------|
| Van Rees | 540 |
| James Finlay | 360 |
| Ranfer | 180 |

EXCHANGE RATES:

TT BUYING

GBP : 1,235,4000

USD : 1,020,7057

SOUTH INDIAN ROUNDUP FOR THE WEEKENDING

20TH AUGUST, 2022

KOCHI

CTC LEAF

Demand : Fair demand. All grades sold irregularly around last levels with some withdrawals.

ORTHODOX LEAF

Demand : Fair demand.

Market : Prices realized for all categories were irregular and was tending lower.

Buying Pattern : Middle East and CIS buyers operated.

DUST

Demand : Good general demand.

Market : Market Opened on a fully firm to a dearer note by Rs 1 to Rs 2 especially for good liquoring & popular varieties. Limited quantity of medium and plainer teas realized prices which are around last levels.

Buying Pattern : Major Blenders were active & internal buyers operated.

COONOOR

CTC LEAF

Demand : Strong.

Market : Market opened steady to firm and occasionally dearer levels on the brokens, with the BOPF's were trading at fully firm to dearer levels with the strong enquiry. However as the sale progressed it had gained momentum to be sold on fully firm to dearer across all types and grades including the larger brokens.

The overall sale percentage is 91% at an average of Rs. 86.50.

Buying Pattern : Strong presence of major blenders was witnessed on the fairly cleaner and blacker standard along with the better mediums. The internal and other packetiers were also extended their support. Fair export operations were also noticed.

ORTH LEAF

Demand : Fair.

Market : Generally a lower trend with prices dropping by Rs.2/- to Rs.5/-. However some of the tippy brokens and secondary brokens have had better demand to be sold at fully firm to dearer levels.

The overall sale percentage is 71% at an average of Rs. 116.25.

Buying Pattern : Fairly good enquiry was forthcoming from both export and internal markets.

CTC DUST

Demand : Strong.

Market : Market witnessed yet another week of buoyant trend as the best category was trading at fully firm to dearer. The medium category have had better enquiry to be sold at fully firm to dearer by Rs.3/- to Rs.5/-. The blacker and cleaner types attracted even better enquiry and moved up in prices considerably.

The overall sale percentage is 93% at an average of Rs. 101.46.

Buying Pattern : Fairly strong enquiry was forthcoming from the exporters in which M/s. Girnar Food and Beverages and M/s. SSK Exports were active. Major blenders and other internal buyers were also lending good support.

ORTH DUST

Demand : Fairly strong.

Market : The market though had a fairly strong demand but has not reflected in the price levels as they were trading mostly around last levels.

The overall sale percentage is 86% at an average of Rs. 92.41.

Buying Pattern : The sold quantity was equally shared between both the internal and exporters.

COIMBATORE**CTC LEAF**

Demand : Good general demand.

Market : Better medium and popular sorts were fully firm with heavy withdrawals. Mediums were dearer by Rs.3/- to Rs.4/- sometimes more on smaller brokens /BOPF. Plainer teas fully firm to occasionally dearer by Re.1/- to Rs.2/-. However smaller brokens and BOPF's were substantially dearer by Rs.5/- to Rs.10/-.

Buying Pattern : Blenders, packeteers and exporters were active. Others selective.

ORTH LEAF

Demand : Fair demand.

Market : Whole leaf were barely steady with few withdrawals. Well made brokens were barely steady. Secondary brokens suffered some withdrawals. BOPF's were lower by Rs.2/- with some withdrawals.

Buying Pattern : Exporters were selective. Others active.

CTC DUST

Demand : Good general demand.

Market : Better medium / popular teas sorts were firm with some withdrawals. Medium teas were firm to dearer by Re.1/- to Rs.2/- sometimes more on blacker and grainy teas. Plainer teas were dearer by Rs.4/- to Rs.5/- sometimes more.

Buying Pattern : All sections were active.

ORTH DUST

Demand : Less demand.

Market : Barely steady with heavy withdrawals.

Buying Pattern : Exporters were active.

BANGLADESH AUCTION

SALE NO.16 OF MONDAY 22nd August, 2022

CTC LEAF : 53,700 packages of Current Season teas on offer met with a strong demand.

BROKENS : Best Brokens met with a strong demand and were firm to dearer and with the progress of sale, select few lines advanced further in prices. Medium Brokens were also a strong market and were generally fully firm to a touch dearer. Plain varieties were well supported with a few withdrawals. BLF teas were in more demand and generally sold at firm to dearer rates and there were few withdrawals.

FANNINGS : Best Fannings were strongly competed for and advanced in prices often by Tk.5/- to Tk.10/- and sometimes more. Good Fannings were also in strong demand and were often dearer. Mediums were generally firm. Plainer types saw a little more demand and were firm to a touch dearer. BLF teas were in more demand and generally sold at firm to dearer rates and there were few withdrawals.

CTC DUST : 13,301 packages of Current Season teas on offer met with quite a good demand. Good liquoring well made Dusts sold well at slightly higher prices compared to last sale. Mediums were slightly dearer closely following quality. Plain and BLF Dusts were an easier market with a few withdrawals. Blenders lent strong support with fair interest from the Loose tea buyers.

COMMENTS : Market started off on a fairly strong note and gathered momentum as the sale progressed. As a result, a large weight of teas sold at dearer rates particularly the best varieties. Blenders operated in greater strength with more support from the Loose tea buyers.

Dusts sold well at last levels.

Quotations – This Week – (In Taka)

| Brokens | This Week | Last Week | Fannings | This Week | Last Week | Dust | This Week | Last Week |
|---------|-----------|-----------|----------|-----------|-----------|------|-----------|-----------|
| Large | 207-212N | 202-207N | Best | 220 - 230 | 215 - 225 | PD | 185 - 266 | 125 - 238 |
| Medium | 200 - 215 | 195 - 210 | Good | 208 - 215 | 200 - 210 | RD | 140 - 385 | 130 - 370 |
| Small | 203 - 215 | 195 - 210 | Medium | 195 - 203 | 190 - 195 | D | 158 - 375 | 154 - 386 |
| Plain | 180 - 190 | 180 - 190 | Plain | 185 - 190 | 180 - 190 | CD | 180 - 430 | 164 - 447 |
| BLF | 130 - 145 | 125 - 140 | BLF | 130 - 145 | 125 - 140 | BLF | 140 - 196 | 125 - 175 |

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INTERNATIONAL TEA NEWS

ISSUES & TRENDS

A Look at Supply Chain Issues the Tea Industry Is Grappling with in 2022 (Part One)

John Snell



A tea plantation in Nuwara Eliya in Sri Lanka

It doesn't take a genius to accept that we're in unprecedented times, but how does this impact tea's supply chain – both now and going forward?

Firstly, a quick look at shipping rates pre-covid and now. A 40' container rate from Calcutta to New York was US\$6,500 and now between US\$15,000 to US\$20,000. Same from Shanghai with rates moving from US\$3,500 to US\$20,000 (with a correction to US\$15,000 recently) – and the same for any other route you care to imagine.

All of this is happening despite crude prices being below where they were at the start of the pandemic, so it's not all driven by costs – and in reality, an opportunity grasped.

Of course, we all know what the COVID-19 pandemic did to shipping volumes, schedules and the impact on container positioning. As we all sat at home during the pandemic – bored and online – we shopped hard, increasing shipping space requirement to an all-time record. In 2021 the Port of Long Beach, Calif., processed over nine million 20' containers, a record in its 110 years of operation. But this “East steaming” trade was not reciprocated west bound, and the appetite to dead head (shipping empty containers back) lost its luster as steamship time at anchor (queued) lengthened.

So, we get to where we are now: Queues of vessels across the Pacific (and other routes) moving slow and steaming towards a pre-appointed berthing date – approximately 90 vessels at any one time – exacerbating already stretched supply chains.

Where's the Opportunity in All of This?

Approximately five years before the pandemic, the shipping companies moved to cooperate with each other – a logical move to share resources, increase route utilization, and offer a more comprehensive service during a time of low and competitive pricing.

It's also important to note the three major shipping alliances and their volumes:

| THE THREE OCEAN ALLIANCES | | | |
|---------------------------------------|-------------------|--|--|
| TITLE | 2M | OCEAN ALLIANCE | THE ALLIANCE |
| PARTNERS | MAERSK/MSC | COSCO, OOCL, EVERGREEN, CMA/CGM | HAPAG LLOYD, YANG MING, ONE |
| 3 VESSELS | 185 | 330 | 249 |
| ROUTES | 44 | 38 | 31 |
| CAPACITY IN 20' CONTAINERS | 2.1MM | 3.8MM | 3.5 |

(Image by: John Snell)

As COVID-19 struck and shipping lines struggled with equipment in the wrong place, and/or there wasn't enough vessel space in others, these alliances came into their own. However, this time the shared intelligence led to the opportunity. A shared and equally realized environment that afforded rate hikes be made, in concert, without fear of being less attractive than viable competition – and so the mayhem began.

To be fair to the shipping industry, for years they had made little money on ocean freight and this was an opportunity to recoup ground, but the pendulum kept on swinging past the point of reason and here we are, with some predicting that profits for the shipping industry, will be US\$300 billion this year up from US\$214 billion last year (*Fortune*, December 2021).

The issue for tea is that, without capacity, space goes to the highest bidder and consumer goods – feeding those on-line shoppers – have more room for freight increases than tea, where rates can represent 50 percent of the value of the product shipped. The alliances coordinate to place equipment at the disposal of the most lucrative routes, which has some tea ports scrambling. The dearth in container/space leads to an “auction” above stated shipping rates, which can add up to an additional US\$5,000 per 40' container.

One could argue that – just like the shipping industry – this is an ideal opportunity to reestablish a higher price for tea with packers and retailers (not a bad thing). However, the fact of the matter is that passing on all freight increases has proved difficult and will continue to cost farmers and producers.

The Ukraine Factor

Two-plus years into the COVID-19 pandemic and – with a light at the end of the tunnel for many around the globe, as COVID-19 rates improve and things get better – Russia invades Ukraine and the tea industry is back in another heap of trouble.

The West responds to the war with sanctions on exports (for tea, the two that count are fuel and fertilizer exports) and imports, which despite there being an allowance for tea, will impact demand.

The oil embargo has seen prices at the pumps increase and this – in an inelastic supply chain situation – lends credence to further freight rate hikes, not just ocean carriage but local transport at both ends of the supply chain. Additionally, where fuel is required to collect leaf and process tea, higher cost of production will add to the price of tea IF the industry is to be sustained.

Fertilizer (Potash)

Russia and Belarus represent about 25 percent of the global potash market, and fertilizer rates have already reacted (price increases of four-fold, in some cases) adding further costs to tea producers. Of course, without potash, tea crops can be reduced by 20 to 30 percent.

Let's use Sri Lanka (an industry incubator) to illustrate the worst of impacts to the industry.

COVID-19 travel bans decimated two of Sri Lanka's primary sources of hard currency, tourism and remittances from foreign workers. This, plus poor political leadership, left them in default to their lenders. With no hard currency, they cannot pay for inputs, including fertilizer, or the fuel required to produce and bring tea to port. Add to this a reduced number of sailings from the island, as import volume has all but disappeared, and costs to export have skyrocketed.

From a demand standpoint, Russia consumes an extraordinary amount of tea (140 million Kgs) and it is likely that supply routes will be found by imaginative sellers (a land route from India to Uzbekistan, for instance) that will ensure trade goes on, but these will be more expensive and, with a heavily devalued rouble, pricing may not be that attractive.

These complications will lead tea producers to consider easiest routes for sale, and they will cater to markets most likely and able to pay, in a climate of economic slowdown and inevitably, rising rates of finance.

Value Addition

And what of consumer packaged tea sales, a holy grail of sorts for producing countries? With increased e-commerce and consumption in general, there has been a run on packaging raw materials from corrugate to paper and plastic. This lower availability has increased prices (fueled further by raw material shortages) and shipping costs just make this worse – both inbound and outbound – where voluminous packaged goods are hit even harder.

Is There Relief in Sight?

There is very little evidence that the war in Ukraine and/or economic sanctions against Russia will be over soon, but container sale prices (resale and new) have dropped, an indicator that there is a bit more elasticity in the system. However, more has to be done and done quickly, as before we know it the autumnal buying season will be upon us and demand for space will ramp up again.

A cloud looming on the horizon is a contract negotiation between 22,000 workers at 28 west coast ports, which has to be done by July 1, 2022, if further disruption is to be avoided. Already, some, major U.S. companies are increasing inventories “just in case,” and this cannot help ongoing congestion.

Longer term, there is evidence that – apart from major shipping lines – independents are seeing enough profit in freight movement to invest in the space, and this could invite competition and act as much-needed gravity on a pendulum swung too far.

INTERNATIONAL

What does the queen like with tea? Jam sandwiches every day

Posted: Aug 21, 2022 / 07:53 AM CDT

Updated: Aug 21, 2022 / 08:39 AM CDT

SHARE

LONDON (AP) — Queen Elizabeth II has eaten jam sandwiches every day since she was a toddler, according to her former private chef.

Darren McGrady claims on his YouTube channel that the monarch favors a strawberry preserve made from fruits picked in her Balmoral Castle grounds in Scotland.

“The queen was served jam pennies in the nursery as a little girl. She’s had them for afternoon tea ever since,” he says in a recently surfaced video published in July last year. The sandwiches are made from bread with a little butter and a spread of jam, then cut out into circles the size of an old British penny.

As part of the genteel tradition of afternoon tea, McGrady, who says he was a chef to the queen for 11 years, also revealed the monarch’s solution to a familiar quandary for British scone lovers: jam first or cream?

“The queen was always jam first,” he said in a separate video. “The jam went on followed by that delicious, clotted cream.”

As well as the preserve, the 96-year old monarch has always been partial to fresh strawberries. “The queen would eat strawberries three or four nights a week in Balmoral if they were in season,” he says.

India's June tea output drops 17% as floods hit plucking Rajendra Jadhav [AUG 22, 2022 07:33AM EDT](#)

CREDIT: REUTERS/AHMAD MASOOD

India's June tea production fell 17.4% from a year earlier to 141.31 million kilograms (kg), the state-run Tea Board said, as floods and pest attack dented output in the main producing region.

MUMBAI, Aug 22 (Reuters) - India's June tea production fell 17.4% from a year earlier to 141.31 million kilograms (kg), the state-run Tea Board said, as floods and pest attack dented output in the main producing region.

Heavy June rainfall flooded tea gardens in Assam, which accounts for more than half the country's production, making tea plucking difficult for workers. That sent production down 19% year on year to 74.35 million kg.

Tea plucking in India, the world's second-biggest tea producer, usually accelerates from June to October.

In the first half of 2022 India's tea production fell 20% from a year earlier to 360.19 million kg, Tea Board data shows.

Lower tea production in June lifted average tea prices in July to 194.49 rupees (\$2.44) per kg, up 10.5% year on year, according to the Tea Board.

The country exports CTC (crush-tear-curl) grade mainly to Egypt and the United Kingdom, with the orthodox variety shipped to Iraq, Iran and Russia.

The CTC tea is produced using a maceration device while the orthodox tea is produced using traditional method of withering, rolling, oxidation and drying.

(\$1 = 79.8000 Indian rupees)