TEA MARKET REPORT

SALE NO: 09

FEBRUARY 27 & 28, 2024

20 Years of Excellence

LCBL COMMODITY HOUSE

LANKA COMMODITY BROKERS LTD

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COMMENTS

This week's Tea Auction, namely Sale #09 of 2024 was held on February 27/28, 2024 (Tue/Wed). A total weight of 4.6 mkgs was on offer, which was a marginal decrease of 0.22 mkgs when compared to the previous week's quantity. The Low Grown Leafy, Semi Leafy, Tippy/Small Leaf & Premium Flowery catalogues totaled 2.2 mkgs, while the Main Sale High & Medium segment had 0.52 mkgs. The Ex Estate category had 0.73 mkgs.

The Ex-Estate sale continued to meet with irregular demand again this week. A few select invoices were fully firm to dearer following special inquiry whilst the others tended irregular following quality. Improved teas in the below best category were firm to dearer whilst the plainer varieties were generally firm. Nuwara Eliya's along with Unva/Udapussellawa teas sold around last levels with some select leaf teas appreciating. Poorer sorts declined over last week levels. CTC TEAS – High & Medium PF1's, the better sorts sold around last level whilst the balance tended irregular. Low Grown varieties were firm to marginally easier following quality. BP1's from all elevations sold well. There was selective demand from shippers to Japan and the Continent whilst Russia and CIS buyers accounted for the balance teas at lower levels.

The over-all market in the Low Grown category were generally firm on last levels. In the leafy catalogues demand was fully sustained on last levels with the exception of the PEKOE grades which tended easier. In the Small Leaf category however, better demand was witnessed with prices according on a fully firm to dearer trend. Bright Tippy Teas too met with good demand and appreciated on last levels. Shippers to the Middle East, Russia and the CIS countries were active.

This week's auction comprised of 9,616 lots with a total quantity of 4,623,111 kgs.

The catalogue wise breakdown was as follows:-

	Lots	Qty. (Kgs)
Low Grown Leafy	1,678	588,737
Low Grown Semi Leafy	1,418	592,294
Low Grown Tippy	2,012	971,586
High & Medium	1,276	524,719
Off Grade/BOP1A	1,663	786,226
Dust	424	368,700
Premium Flowery	398	58,565
Ex-Estate	747	732,284
Total	**9,616**	**4,623,111**

In Lighter Vein

Fine for Dumping Garbage :-),

A police patrolman pulls up next to the guy unloading rubbish out of his pick-up into the ditch at the side of the road.

The patrolman asks, "Why are you dumping rubbish in the ditch? Can't you see the sign there?"

"Sure," he replies, "it says 'Fine for Dumping Garbage.'"

LOW GROWN TEAS

LEAFY/SEMI LEAFY

BOP1 : Select best BOP's maintain on last week levels whilst best and below best types appreciated by Rs.50/- per kg.

OP1 : Wiry OP1's maintained on last week levels whilst the best OP1's tended irregular to lower. Stalky types appreciated by Rs.50/- per kg.

OP : Well-made OP's were firm on last levels whilst the whilst the others maintained.

OPA : **Select** best OPA's declined by Rs.50-100/- per kg. Best and below best OPA's were firm to dearer.

PEK/PEK1 : Well-made PEK's declined by Rs.50/- per kg. Balance were irregular and mostly lower. Shotty PEK's too declined by Rs.50/- per kg. Lower end teas ended irregular.

Quotations (Rs./Kg)	Best		Below Best		Others	
	This Week	Last Week	This Week	Last Week	This Week	Last Week
BOP1	**1850-4000**	1900-4000	**1600-1800**	1500-1800	**1450-1600**	1400-1500
OP1	**1800-4250**	1800-4000	**1650-1800**	1600-1800	**850-1050**	800-1000
OP	**1500-1900**	1450-1900	**1200-1300**	1200-1300	**800-950**	800-950
OPA	**1500-1900**	1450-2000	**1000-1200**	1000-1200	**800-900**	800-900
PEK/PEK1	**1400-2500**	1400-2500	**1200-1300**	1300-1900	**950-1100**	1000-1150

TIPPY/SMALL LEAF

BOP/BOPSP : Well-made BOP's were firm whilst the clean leaf Below Best together with the clean leaf teas at the lower end were dearer. Balance sold around last levels.

BOPF/BOPFSP : Well-made BOPF were firm whilst the balance appreciated.

FBOP/FBOP1 : Well-made FBOP's were firm to dearer. Below best together with the teas at the lower end followed a similar trend. However, the bolder varieties were irregular. FBOP1's in general were firm.

FBOPF/FBOPF1 : Very Tippy teas met with good demand and dearer. Best and Below Best too appreciated. Teas at the lower end sold around last levels. Select best and Best FF1's were firm to dearer whilst the clean leaf Below Best and clean leaf teas at the lower end appreciated. Balance were firm on last.

FBOPFSP/EXSP : FBOPFSP – Best and Select best were dearer by Rs.500-1000/- per kg. Other categories met with strong demand.
EXSP – Overall market was dearer.

Quotations (Rs./Kg)	Best		Below Best		Others	
	This Week	Last Week	This Week	Last Week	This Week	Last Week
BOP/BOPSP	**1900-2100**	1800-2050	**1600-1850**	1500-1750	**1200-1500**	1100-1450
BOPF /BOPFSP	**1700-1900**	1700-1950	**1250-1650**	1300-1650	**1000-1200**	1000-1250
FBOP/FBOP1	**2200-3000**	2000-2950	**2000-2400**	2000-2500	**1600-1900**	1600-1900
FBOPF/FBOPF1	**1900-2150**	2000-2350	**1750-1850**	1700-1900	**1200-1600**	1300-1600
FBOPFSP/EXSP	**5600-6850**	5500-6050	**3800-5200**	3500-5000	**2700-3700**	2500-3400

MEDIUM GROWN LEAFY/SEMI LEAFY TEAS

FBOP : Well-made wiry FBOP's on offer met with fair demand. Below best and secondary types sold firm on easier levels.

FBOPF/FBOPF1 : Neat well-made invoices on offer were firm on last levels whilst balance too met with fair demand.

PEK/PEK1 : Except for very shotty invoices on offer whilst balance tended irregularly lower.

Quotations (Rs./Kg)	Best		Below Best		Others	
	This Week	Last Week	This Week	Last Week	This Week	Last Week
FBOP	**1750-2350**	1750-2150	**1350-1750**	1300-1750	**1000-1350**	1000-1300
FBOPF/FBOPF1	**1750-2050**	1700-2000	**1500-1750**	1500-1700	**1250-1500**	1200-1500
PEK/PEK1	**1500-1900**	1600-2050	**1000-1500**	1000-1600	**900-1000**	900-1000

HIGH GROWNS TEAS

BOP : Best Western's - Select high-priced teas were firm and up to Rs.50/- per kg easier whilst the others appreciated by Rs.50-100/- per kg following quality. Teas in the Below Best and Plainer categories sold around last week s levels. Nuwara Eliya's togetherwith the Uva/Uda Pussellawa's sold around last week's levels.

BOPF: Best Western s - Few select invoices appreciated sharply following special inquiry, whilst the others were irregular and tended easier. In the Below Best category improved sorts were firm and deare4 whilst the others were irregular and mostly easier. Plainer sorts were generally firm. Nuwara Eliya's - Select invoices appreciated, whilst the others were difficult of sale. Uda Pussellawa's were firm and up to Rs.20/- per kg dearer. Uva's - Select clean leafteas appreciated by up to Rs.50/- per kg and more, whilst the poorer sorts declined by a similar margin.

Quotations (Rs./Kg)	BOP		BOPF	
	This Week	Last Week	This Week	Last Week
Best Westerns	**1260-1550**	1280-1550	**1440-2000**	1340-1700
Below Best Westerns	**1180-1240**	1180-1220	**1140-1320**	1140-1240
Plainer Westerns	**1020-1140**	1020-1120	**1080-1100**	1040-1120
Nuwara Eliyas	**1480**	N/A	**1600**	1280-1320
Brighter UdaPussellawas	**1280-1300**	1400	**1200**	1160
Other Uda Pussellawas	**1080**	1000	**1020-1140**	1020-1100
Best Uva's	**1280-1380**	1300-1400	**1220-1380**	1140-1160
Other Uva's	**1100-1140**	1020	**1100-1120**	890-1100

MEDIUM GROWN TEAS

BOP : Large Leaf teas continued to sell well, whilst the others were firm and up to Rs.50/- per kg dearer.

BOPF : Sold around last week s levels.

Quotations (Rs./Kg)	BOP		BOPF	
	This Week	Last Week	This Week	Last Week
Best Westerns	**750-1950**	750-2000	**940-1240**	870-1160

CTC TEAS

HIGH GROWN:

BP1 - Continued to sell well.
PF1 - Better sorts sold around last levels whilst the others were irregular.

MEDIUM GROWN:

BP1 - Irregular.
PF1 - Better sorts sold around last week's levels whilst the others were irregular following quality.

LOW GROWN:

BP1 - Continued to sell around last.
PF1 - Better sorts were firm to marginally easier whilst the others declined further following quality.

Quotations (Rs./Kg)	BP1		PF1	
	This Week	**Last Week**	**This Week**	**Last Week**
High	**-**	N/A	**1040-1200**	1000-1140
Medium	**840-1360**	830-1280	**770-1260**	770-1200
Low	**810-1500**	830-1500	**1040-1550**	980-1500

OFF GRADES

FGS/FGS1 : Select Best Liquoring FNGS/FNGS1 appreciated Rs.20-30/- per kg. Best teas dear Rs.20/-. Poorer types were firm to dearer by Rs.25-50/- per kg whilst well-made Low Grown FNGS/FNGS1 were firm on last; Others dearer Rs.25-50/-.

BM : Well-made teas appreciated Rs.20-30/- per kg. Best types advanced Rs.20/-Poorer varieties were declined by Rs.10-30/- per kg. Below best types lost Rs.10-20/- per kg.

BOP1A : PEK1's reducers appreciated by Rs.50/- per kg whilst best BOP1A's firm to dearer Rs.50-75/- per kg. Below best and poorer types advanced Rs.25-50/- per kg.

QUOTATIONS (Rs./kg)	HIGH		MEDIUM		LOW	
	This Week	Last Week	This Week	Last Week	This Week	Last Week
Good Fannings (Orthodox)	**900-1250**	890-1160	**780-900**	780-890	**780-950**	780-920
Good Fannings (CTC)	**750-850**	750-900	**720-810**	750-860	**700-820**	750-880
Other Fannings (Orthodox)	**650-720**	650-720	**650-720**	650-720	**650-720**	650-720
Other Fannings (CTC)	**N/A**	N/A	**N/A**	N/A	**N/A**	N/A
Good BM's	**820-890**	820-860	**830-920**	830-880	**900-1500**	900-1300
Other BM's	**670-720**	N/A	**670-730**	N/A	**670-750**	N/A
Best BOP1As	**750-820**	750-790	**780-890**	780-860	**850-1500**	870-1500
Other BOP1As	**730-800**	730-790	**730-790**	720-780	**720-820**	720-810

DUST

DUST/DUST1: High grown liquoring Dust/Dust1's gained Rs.40-80/- per kg whilst their secondaries and poorer types were fully firm to dearer. Medium grown teas too met with improved demand and gained Rs.25-50/- per kg and at times more. Low Grown clean Dust/Dust.1's too met with strong demand and gained Rs.100-150/- per kg and at times more.

PD : High & Medium grown teas were fully firm to dearer whilst the Low Growns were irregular and mostly lower.

QUOTATIONS (Rs./kg)	HIGH		MEDIUM		LOW	
	This Week	Last Week	This Week	Last Week	This Week	Last Week
Good Primary Dust1 (Orthodox)	**840-1550**	880-1700	**760-1420**	760-1220	**740-1060**	730-940
Good Primary PD (CTC)	**820-1320**	830-1300	**740-1340**	730-1320	**720-1420**	700-1460
Secondary Dust	**730-1240**	700-1220	**720-920**	700-750	**730-1100**	720-940

WESTERN MEDIUM

***Harangalla**	**BOP**	**1950/-**
Craighead	BOP	1950/-
Craighead	BOPSP	1850/-
Craighead	BOPF/BOPFSP	1600/-
Craighead	BOP1	2150/-
Dartry Valley	FBOP/FBOP1	2350/-
Harangalla	FBOP/FBOP1	2350/-
Doombagastalawa	FBOP/FBOP1	2150/-
***Hatale**	**FBOP/FBOP1**	**2100/-**
***Meezan**	**FBOP/FBOP1**	**2100/-**
Dartry Valley	FBOPF/FBOPF1	2050/-
***Harangalla**	**OP/OPA**	**1650/-**
***Harangalla**	**OP1**	**2000/-**
***Dartry Valley**	**OP1**	**2000/-**
Craighead	OP1	2000/-
Craighead	PEK/PEK1	1900/-
***Wattehena**	**PEK/PEK1**	**1800/-**
Dartry Valley	PEK/PEK1	1800/-

WESTERN HIGH

Great Western	BOP	1600/-
Queensberry	BOPSP	1750/-
Robgil	BOPF/BOPFSP	2000/-
Inverness	BOP1	2050/-
Inverness	FBOP/FBOP1	1900/-
Kirkoswald	FBOP/FBOP1	1900/-
Weddemulla	FBOP/FBOP1	1900/-
Glenloch	FBOPF/FBOPF1	1800/-
Weddemulla	FBOPF/FBOPF1	1800/-
Bogahawatte	FBOPF/FBOPF1	1800/-
Queensberry	FBOPF/FBOPF1	1800/-
St.Andrews	FBOPF/FBOPF1	1800/-
Bambrakelly	OP/OPA	1600/-
Venture	OP1	1950/-
Weddemulla	PEK/PEK1	1700/-

NUWARA ELIYA

Mahagastotte	BOP	1480/-
Court Lodge	BOP	1480/-
Lovers Leap	BOP	1480/-
Kenmare	BOPSP	1200/-
Lovers Leap	BOPF/BOPFSP	1600/-
Kenmare	FBOP/FBOP1	1850/-
Kenmare	OP/OPA	960/-
Court Lodge	PEK/PEK1	1460/-

CTC TEAS

HIGH GROWN

***Dunsinane CTC**	**PF1**	**1200/-**
***Dunsinane CTC**	**BP1**	**1340/-**

MEDIUM GROWN

New Peacock CTC	PF1	1260/-
New Peacock CTC	BP1	1360/-

LOW GROWN

Himgalgoda CTC	PF1	1550/-
Ceciliyan CTC	BP1	1500/-

UVA MEDIUM

Dickwella	BOP	1850/-
Telbedde	BOPSP	1800/-
Dickwella	BOPF/BOPFSP	1800/-
Aruna Keppetipola	BOP1	1950/-
Sarnia Plaiderie	FBOP/FBOP1	2050/-
Sarnia Plaiderie	FBOPF/FBOPF1	1900/-
Telbedde	FBOPF/FBOPF1	1900/-
Shawlands	OP/OPA	1800/-
Ury	OP1	1950/-
***Halpewatte Uva**	**OP1**	**1900/-**
Demodera'S	OP1	1900/-
Halpewatte Uva	PEK/PEK1	1700/-
Sarnia Plaiderie	PEK/PEK1	1700/-
Aruna Passara	PEK/PEK1	1700/-
Telbedde	PEK/PEK1	1700/-

UVA HIGH

Kelliebedde	BOP	1280/-
Bandaraeliya	BOP	1280/-
Aislaby	BOPSP	1650/-
Spring Valley	BOPF/BOPFSP	1340/-
Glenanore	BOP1	1900/-
Spring Valley	BOP1	1900/-
Aislaby	FBOP/FBOP1	1900/-
Uvakellie	FBOP/FBOP1	1900/-
Glenanore	FBOPF/FBOPF1	1950/-
Glenanore	OP/OPA	1550/-
Mahadowa	OP/OPA	1550/-
Mount Uva	OP1	1850/-
Aislaby	PEK/PEK1	1750/-

UDAPUSSELLAWA

Luckyland	BOP	1300/-
Luckyland	BOPF/BOPFSP	1200/-
Gampaha	BOP1	1550/-
Alma	FBOP/FBOP1	1850/-
Alma	FBOPF/FBOPF1	1850/-
Gonapitiya	OP/OPA	1380/-
Blairlomond	OP/OPA	1380/-
Alma	OP1	1750/-
Alma	PEK/PEK1	1750/-

OFF GRADES

Co oP Cola	BP	1600/-
Hingalgoda CTC	PF	1460/-
***Aldora**	**BM**	**1500/-**
***Cymru**	**BM**	**1420/-**
***Chandrika Estate**	**BM**	**1400/-**
***Lucky Kottawa**	**BM**	**1400/-**
Court Lodge	FNGS/FNGS1	1400/-
***Aldora**	**BOP1A**	**1460/-**
***Andaradeniya Super**	**BOP1A**	**1460/-**
Aldora	BOP1A	1460/-
***Chandrika Estate**	**BOP1A**	**1440/-**

LOW GROWN LEAFY GRADES

***Sithaka**	**BOP1**	**4000/-**
Pothotuwa	BOP1	3950/-
***Makandura**	**BOP1**	**3900/-**
Sithaka	OP1	4250/-
Pothotuwa	OP1	4250/-
Galatara	OP	2000/-
New Deniyaya	OP	1850/-
Rathmalgoda Super	OP	1850/-
***New Galagawa**	**OP**	**1800/-**
Miriswatta	OPA	1850/-
Lumbini	PEKOE	2500/-
***Andaradeniya Super**	**PEKOE1**	**2250/-**

LOW GROWN TIPPY GRADES

Ceciliyan	BOP	2100/-
***Allen Valley**	**BOPSP**	**1900/-**
***Andaradeniya Super**	**BOPSP**	**1850/-**
***Hadigalla**	**BOPSP**	**1850/-**
***Mahaliyadda**	**BOPSP**	**1850/-**
***Sithaka**	**BOPF**	**2100/-**
***Andaradeniya Super**	**BOPFSP**	**1900/-**
Golden Garden	BOPFSP	1900/-
***Wattahena**	**BOPFSP**	**1800/-**
***Sithaka**	**FBOP**	**3000/-**
Sithaka	FBOP1	2250/-
***Andaradeniya Super**	**FBOP1**	**2100/-**
Gunawardena	FBOPF	2150/-
***Hadigalla**	**FBOPF**	**2100/-**
***Lenama Hills**	**FBOPF**	**2050/-**
Pothotuwa	FBOPF1	2150/-
Galatara	FBOPF1	2150/-
***Makandura**	**FBOPF1**	**2100/-**
***Wattahena**	**FBOPF1**	**2050/-**

PREMIUM FLOWERY

***Andaradeniya Super**	**FBOPFSP**	**5700/-**
***New Laksakanda**	**FBOPFSP**	**5550/-**
New Deniyaya	FBOPFEXSP	6850/-
Muswenna	FBOPFEXSP1	6500/-

Dust

Mattakelle	DUST	1240/-
Great Western	DUST1	1550/-
Kalubiwitiyana CTC	PD	1420/-

WESTERN HIGH

***Dunsinane**	**PD**	**1320/-**

WESTERN MEDIUM

***Kellebokka**	**DUST**	**920/-**

COLOMBO AUCTION – WEEKLY GROSS SALE AVERAGES

SALE NO.08 OF 20TH FEBRUARY, 2024

	2024			2023	
	Weekly	Month to Date	Year to Date	Weekly	Year to Date
Uva High Grown	1,117.25	1,063.01	1,035.41	1,267.28	1,241.45
Western High Grown	1,199.81	1,198.61	1,147.31	1,490.09	1,485.34
High Grown	1,185.43	1,172.98	1,120.39	1,429.73	1,420.42
Uva Medium	1,189.77	1,152.46	1,106.05	1,277.34	1,256.11
Western Medium	1,130.02	1,135.00	1,098.44	1,237.39	1,223.52
Medium Grown	1,144.13	1,139.07	1,100.53	1,249.18	1,232.94
Low Grown (Orthodox)	1,424.22	1,433.13	1,424.31	1,536.52	1,569.19
Combined L.G. (Orthodox + CTC)	1,396.83	1,402.25	1,400.20	1,514.64	1,541.87
Total	1,315.67	1,319.30	1,298.20	1,460.57	1,472.50

Private Sale Figures (19.02.2024 – 24.02.2024) - 120,657.50 kgs

Cumulative - 870,869.40 kgs

DETAILS OF TEAS AWAITING SALE

	Sale of 05th/06th Mar. '24		Sale of 12th/13th Mar. '24	
	Lots	Qty. (Kgs)	Lots	Qty. (Kgs)
Low Grown Leafy	1,760	661,020	1,758	642,041
Low Grown Semi Leafy	1,430	609,728	1,343	555,239
Low Grown Tippy	2,110	1,039,493	2,058	999,774
High & Medium	1,491	655,060	1,686	753,892
Off Grade/BOP1A	2,138	1,018,814	2,133	1,049,483
Dust	506	416,446	509	430,822
Premium Flowery	311	46,877	321	46,946
Ex-Estate	764	742,878	835	825,621
Total	**10,510**	**5,190,316**	**10,643**	**5,303,817**

FUTURE CATALOGUES CLOSURE

Sale No.12 of 19th/20th Mar, 2024

The Main Sale & Ex-Estate Sale catalogues are scheduled to be closed on **29th February, 2024 at 04.30 p.m.**

Sale No.13 of 26th/27th Mar, 2024

The Main Sale & Ex-Estate Sale catalogues are scheduled to be closed on **07th March, 2024 at 04.30 p.m.**

Sale No.14 of 02/03rd April, 2024

The Main Sale & Ex-Estate Sale catalogues are scheduled to be closed on **14th March, 2024 at 04.30 p.m.**

SALE NO. 10
AUCTION OF 05TH/06TH MARCH, 2024
BROKERS' SELLING ORDER

Leafy/Semi Leafy/Tippy/BOP1A/ Premium Flowery

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

High & Medium/Off Grades/Dust

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

Ex-Estate

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

Crop & Weather

For the period 20TH to 26TH February 2024

Western/Nuwara Eliya Regions:

The Western and Nuwara Eliya regions reported sunny weather throughout the week. According to the Department of Meteorology, showers and windy conditions are expected in both regions in the week ahead.

Uva/ Udapussellawa Region:

Bright weather was reported throughout the week in the Uva and Udapussellawa regions. The Department of Meteorology expects showers and windy conditions in both regions in the week ahead.

Low Growns:

Sunny weather and sporadic showers were reported in the Low Grown Region throughout the week. Showers and windy conditions are expected in the Low Grown Regions in the week ahead by the Department of Meteorology.

Crop Intake:

All planting regions maintained the crop intake.

WORLD CROP STATISTICS (MKGS)

Country	Month	2022	2023	Difference +/-	To-date 2022	To-date 2023	Difference +/-
BANGLADESH	Dec.	7.80	7.80	0.000	93.80	102.90	9.10
KENYA	Nov.	49.22	50.90	1.68	477.90	515.92	38.0
MALAWI	Nov.	1.70	2.70	1.00	43.10	39.30	-3.8
NORTH INDIA	Dec.	50.00	59.8	9.80	1134.50	1131.70	-2.80
SOUTH INDIA	Dec.	14.50	17.70	3.20	231.80	236.00	4.20

Country	Month	2023	2024	Difference +/-	To-date 2023	To-date 2024	Difference +/-
SRI LANKA	**Jan.**	**18.46**	**18.73**	**0.27**	**18.46**	**18.73**	**0.27**

"Africa Tea Brokers Bulletin of Statistic

OTHER MARKETS

MALAWI MARKET REPORT

SALE NO.09 HELD ON 28/02/2024

There was fair demand at irregular rates for the 7560 packages on offer.

BP1 - Were fully firm on last.

PF1 - Tended firm to USC2 easier on last.

PD - Sold up to USC4 easier on last.

D1 - Were well supported at irregular rates.

PF1SC - Sold at dearer rates where sold.

Secondaries were generally firm on last.

WEATHER/CROP FOR THE WEEK ENDING 25TH FEBRUARY, 2024

Some rainfall were received during the start and towards the end of the week, total average rainfall up to 21mm and 27 mm in Thyolo and Mulanje respectively.

Green leaf intakes showed a downward trend.

TEA BROKERS CENTRAL AFRICA LIMITED

MOMBASA TEA AUCTION MARKET REPORT

Sale No.08 of 19th & 20th FEBRUARY, 2024

There was good general demand for the 305,360 packages (20,453,741.50 kilos) on offer; 42.59% remained unsold.

MARKETS

There was useful activity from **Pakistan Packers** and **Bazaar** with **Yemen**, **other Middle Eastern countries** and **Egyptian Packers** maintaining good enquiry. **UK, Russia** and **South Sudan** showed improved interest with some activity from **Afghanistan**. **Kazakhstan** and **other CIS states** saw reduced competition while **Local Packers** were less active**. Iran** and **Sudan** were quiet with **Somalia** active at the lower end of the market.

OFFERINGS

Leaf Grades - 187,160 packages (12,283,886.50 kilos) – 50.52% unsold.
Dust Grades - 91,400 packages (6,800,150.00 kilos) – 34.66% unsold.
Secondary Grades - 26,840 packages (1,370,905.00 kilos) – 14.31% unsold.

LEAF GRADES (M2)

BP1:

Best – Saw reduced enquiry and were firm to irregularly easier by up to USC86.

Brighter – Irregular varying between steady to USC18 dearer to easier by up to USC16 with the lower end of the category at USC140 on older teas.

Mediums – KTDA mediums were firm at last levels but the lower end of the category dipped further to USC120 on older offerings. Plantation mediums appreciated by up to USC9.

Lower Medium – Advanced by up to USC27.

Plainer – Were irregular varying between steady to USC17 above previous levels to easier by up to USC16.

PF1:

Best – Were firm to easier by up to USC28 but select invoices gained up to USC32.

Brighter – Irregular ranging between USC14 dearer to USC 10 easier.

Mediums – KTDA mediums were mostly steady with some teas irregular varying between USC10 dearer to USC7 below previous levels. Plantation mediums met improved competition and appreciated by up o USC32.

Lower Medium – Varied between steady to USC24 above previous process to easier by up to USC27.

Plainer – Were firm to irregularly easier by up to USC35.

CTC QUOTATIONS	BP1 – USC	PF1 – USC
Best	186 - 400	309 - 436
Good	140 - 273	299 - 329
Good Medium	140 - 261	279 - 326
Medium (KTDA)	120 - 252	140 – 282
Medium (Plantations)	133 - 201	114 - 230
Lower Medium	106 - 172	080 - 180
Plainer	072 - 130	050 - 118

DUST GRADES (M1)

PDUST:

Best – Were irregular with most teas steady to USC 18 easier but a few lines appreciated by up to USC12 with selected invoices gaining USC28, USC44 and USC48.

Brighter – Steady to USC21 below last levels.

Mediums – KTDA mediums were about firm with a few lines dearer by up to USC7 and selected invoices gaining USC 14; the lower end of the category however dipped to USC140 on older offerings. Plantation mediums ranged between firm to USC11 dearer with select invoices appreciating by USC26 to easier by up to USC13.

Lower Medium – Were irregular varying between firm to USC28 dearer to easier by up to USC16.

Plainer – Ranged between steady to USC14 dearer to easier by up to USC16.

DUST1:

Best – Were generally firm to easier by up to USC23 and a few teas lost USC30 but some lines advanced by up to USC14.

Brighter –Varied between steady to USC14 above previous prices to easier by up to USC22.

Mediums – KTDA mediums were mainly easier by up to USC14 but a few lines appreciated by up to USC16; the lower end of the category fell to USC155 on older offerings. Plantation mediums varied between steady to USC14 dearer and selected teas gained USC29 to easier by USC14.

Lower Medium – Ranged between USC15 above last levels to easier by up to USC20.

Plainer – Were irregular varying between steady to USC14 dearer to easier by up to USC26.

CTC QUOTATIONS	PDUST – USC	DUST1 – USC
Best	308 - 514	281 - 380
Good	307 - 335	276 - 318
Good Medium	300 - 318	248 - 326
Medium (KTDA)	140 - 312	155 - 306
Medium (Plantations)	112 - 224	126 - 232
Lower Medium	094 - 176	092 - 173
Plainer	050 - 111	050 - 130

SECONDARY GRADES (S1)

In the Secondary Catalogues, **BPs** held value with **PFs** steady. Clean well sorted coloury **Fannings** were were firm while **similar DUSTs** were dearer. **Other Fannings** met steady support with some lines dearer while DUSTs sold below previous rates. **BMFs** were readily absorbed.

SECONDARY QUOTATIONS (USC)	BP / BP2	PF / PF2	FNGS1/FNGS	DUST / DUST2	BMF
Best / Good	194 - 280	216 - 264	121 - 236	070 - 303	065 - 094
Good Medium /Medium	-	-	125 – 199	132 - 247	-
Lower Medium	090 - 115	078 – 130	064 - 124	040 - 118	055 - 080
Plainer	081 - 112	055 - 096	054 – 092	035 – 071	052 - 089

28th February, 2024
-/tp.

INTERNATIONAL TEA NEWS

Concerns over tea shortages are brewing in the U.K. But how serious is the threat to supply?

Unrest in Red Sea prompted fears over supply, but observers say it's a tempest in a teacup

A sign posted in the U.K. supermarket chain Sainsbury's warns customers about interruptions to their supply of black tea. (BBC News)

Written in black and white, a small sign in one of the United Kingdom's biggest supermarket chains warned customers of a possible shortage of tea.

"We are experiencing supply issues affecting the nationwide supply of black tea," the sign, posted mid-February in Sainsbury's, read. "We apologize for any inconvenience and hope to be back in full supply soon."

In November, Yemen's Houthi rebels began launching attacks on vessels in the Red Sea in solidarity with Palestinians in the ongoing Israel-Hamas war.

Since then, shipping companies have been forced to stall or redirect to different trade routes, causing weeks of delays. That's caused concern on social media for Britain's legion of tea drinkers, worried that the unrest will disrupt the shipments tea retailers rely on.

The United Kingdom gets 50 per cent of its tea from India and Kenya. Globally, China, India, Sri Lanka and Kenya produce about three-quarters of tea. (Lauren Sproule/CBC News)

Tetley and Yorkshire Tea, along with Sainsbury's, have admitted some tea shortfalls, although negligible.

CBC News requested an update from Sainsbury's on its tea supply. The grocer has yet to respond.

"The whole issue is a bit of a storm in a teacup," said Tom Holder, spokesperson for the British Retail Consortium (BRC).

"Frankly, the Red Sea has had minimal impact on the supply of tea, and anyone who has gone to the supermarket in recent days will see the aisles full of tea."

A spokesperson for Tetley echoed that sentiment and said despite the initial alarm, tea shelves have remained stocked due to successful "mitigation measures."

However, "this is a critical period, which requires our constant attention," the company said.

London-based Marco Forgione, director general at the Institute of Export and International Trade, said suppliers of all sizes will need to rely on "clever inventory management" in order to keep stock on shelves.

Consumer fears mount

Despite assurances from some of the country's biggest tea providers, customer fears over tea scarcity haven't been completely quelled.

The Sainsbury's disclaimer spurred international news coverage and inspired one woman on Airtasker, a website where users can outsource everyday tasks, to offer £200 (approximately $340 Cdn) in exchange for "15 of the biggest bags/boxes of Tetley" that could be found.

A standard box of 160 Tetley tea bags usually sells for less than $8 a box at Sainsbury's.

"Cut off the U.K.'s tea and the entire world will collapse — we get very agitated about it," said Forgione.

Britain's Prime Minister Rishi Sunak takes a sip from a mug as he chairs a cabinet meeting in London, England. (Kirsty Wigglesworth-WPA Pool/Getty Images)

According to the U.K. Tea and Infusions Association, Britons drink about 100 million cups of tea each day, the raw materials for which come predominantly from Kenya and India.

While the U.K. is the fifth-largest importer of tea, it's also the world's 10th-largest exporter and supplied Canada with $16.4 million worth of tea in 2021, making up about 12 per cent of Canada's annual tea imports.

While the extent to which Canada will be impacted by the delays is unknown, the Bank of Canada warned in January that "prices for traded goods could also increase significantly" if the Israel-Hamas war broaded into a wider conflict.

Forgione said that when the Houthi rebel attacks began last November, ships transporting tea to the U.K. initially tried to stay the course and transit through the Red Sea to the Suez Canal, across the Mediterranean Sea and north to England, but have since had to reroute via the Cape of Good Hope at the southern tip of Africa.

How the Houthis became major Middle East disruptors

Once a rag-tag group in Yemen — one of the world's poorest countries — Iran has helped the Houthis become major players capable of disrupting global shipping traffic in the Red Sea. CBC's Paul Hunter breaks down the rise of the Houthis and what the world needs to watch for. [Correction: In a previous version of this video, we reported that Hamas is considered a terrorist organization by several countries and entities, including the United Nations. In fact, the UN does not consider Hamas a terrorist organization.]

"Rerouting adds about two weeks to the transit time for the ships and adds significantly to the costs — the fuel burn, staff costs on the ship increase," he said. "And we've seen an increase in the insurance rates for international shipping. All of that causes a disruption to the supply chain."

And who will bear the brunt of those costs?

"There is only one person who ever pays, and that's the consumer," said Forgione. "Retailers in the U.K., when the Houthi attacks first started, said that they would try and absorb as much of that cost as possible. But what we saw was the rate for shipping containers increased dramatically."

Forgione said there are three possible outcomes: the price of goods will increase; "shrinkflation" will occur where the price remains the same, but the amount of product reduces; or the stock will simply reduce, "which in itself has an inflationary cost effect."

More supply chain issues on the horizon

At the Tea People plant in Reading, England, Vishaka Agarwal raked her hand through a drum of tumbling loose leaf tea, bringing mounds of zesty dried leaves to her nose.

"It's good," she said, before signing a nearby clipboard, confirming that batch of Earl Grey tea was ready for packaging.

Vishaka, 45, and her husband Neeraj, 51, co-founded Tea People in 2013. A social enterprise, Tea People processes, packages and sells tea internationally, using "business as a medium to alleviate poverty in tea-growing regions," according to its website.

Vishaka Agarwal uses her skills as a 'supertaster' to craft expertly blended teas for retailers and customers alike.

Both originally from Darjeeling, India, home to "the champagne of tea," Neeraj and Vishaka said shipments that used to take five to six weeks are now taking twice as long.

"There were some teas which we expected before Christmas, and we are still waiting for that," said Neeraj. "The cost has increased, as well, but not to the extent it did during COVID time."

So far, Neeraj said they have managed to avoid passing that cost on to their customers, some of whom have gotten in touch, keen to ensure their favourite "cuppa" wouldn't be running dry anytime soon.

Neeraj and Vishaka Agarwal founded Tea People in 2013 'from their kitchen table' and say this supply chain snag is just like any other storm that will pass.

One of the strategies the Agarwals have been using is over-ordering inventory. In the past, they would have ordered a six months' supply, whereas now, they order enough to last nine months.

"We've tried our best to protect our customers and tried our best to not pass down cost," Vishaka said. "But at the end of the day, world politics will affect a business like ours, which is international."

Tea People also ships to Canada, which imported approximately 49,000 tonnes of tea in 2022, according to Statista.

The U.K. is the fifth-largest importer of tea, while also being its 10th-largest exporter

Clever inventory management is a possible short-term solution to the tea problem, according to Forgione.

"But the disruption is unfortunately just going to get wider, broader, deeper over time. And I don't think we've seen the full extent of how Europe is going to be impacted by this."

Car manufacturers, clothing retailers and even the furniture giant Ikea have divulged similar delays, which highlights the fragility of today's supply chain, said Forgione.

"U.K. markets have to shift from a just-in-time, highly efficient supply chain to a much more sustainable and anti-fragile supply chain."

The Panama Canal is in the midst of a record-breaking drought that saw the rerouting of trade last year by Hapag-Lloyd. The major German shipper announced vessels would be redirected to the Red Sea for deliveries being made to Europe and the eastern seaboard of North America.

This was before the Houthi rebels began their attacks, forcing Hapag-Lloyd to reroute once more.

"What's happening with tea is just an early indication of what the future is going to be," said Forgione. "Not just for the U.K. and EU, but for global markets."

Huge volumes of unsold tea at Mombasa auction raises red flag

Tea trade buyers follow proceedings at the East African Tea Trade Association's centre in Mombasa.

A glut of unsold tea is building up in Mombasa due to increased production and recent state policies, sparking fears of continued depressed prices of Kenya's top foreign exchange earner.

Traders said the surplus was because of the implementation of the reserve prices directive and the halting of direct exports by the Kenya Tea Development Agency (KTDA).

However, the low tea absorption at the auction is also said to be due to the declining quality of tea in the country and dollar challenges in export markets. Yesterday we established that at least 13 warehouses are full of unsold tea.

Fear is rife at the auction that if the trend persists, farmers will be unable to earn sustainable income from the crop due to a saturated market due to higher supplies and stagnant demand.

Tea trade experts in Mombasa are now calling for concerted efforts to slow down tea production in the country through market intelligence-led sound policies by the state.

However, other traders are also calling on farmers to diversify and shift from producing black to green tea, fetching better prices at the international markets.

Data from the East Africa Tea Trade Association (EATTA) shows that the problem started last year when over 40 percent of the tea offered for sale was unsold.

In 2023, data by EATTA shows that 770, 276, 687 kilogrammes of tea were offered for sale in the auction, and 457. 0462, 462kg was sold, meaning 40.7 percent remained unsold.

In 2020, the average price of tea at the auction was Sh281.78 ($1.93), and since 2023, it has remained constant at an average of Sh308.06 ($2.11), sparking claims of collusion at the auction.

Yesterday, EATTA Managing Director George Omuga said tea offered in a single action has doubled from 9 million kilos in 2023 to 18.5 million kilos in 2024.

“In 2024, from sale 1 to 7, the weekly auction offers have increased to 18.5m Kgs with an average outlots (unsold) of 47 percent,” said Mr Omuga in an interview.

He said most of the different varieties of tea offered during the seven sales at the weekly Mombasa tea auction either fetched lower prices, withdrawn for lack of bids, or low bid offers.

Kenya’s crush, tear, and curl tea (CTC tea) production was 350m kg in 2012 and over 560m kg in 2020, and most analysts had forecast that the 2023 production would hit 600 million kilos.

However, trade analysts at the auction say that increased production of similar tea in India and Sri Lanka also continues to affect the prices of the Kenya leaves on the global markets.

Omuga said the decline in the quality of some teas as a result of weak enforcement of regulations and a mismatch between elastic supply and saturated or stagnated demand was unsustainable.

The MD of EATTA, which runs the auction, said it was time stakeholders agreed on the maximum quantities threshold and minimum quality standards that should be acceptable in the auction. He said this would “mitigate depressed process which may make tea production unstainable.”

“The industry must come up with tea offers the auction can absorb by addressing the maximum quantities threshold and minimum quality standards acceptable in the auction,” said Omuga.

Mr Abdi Hussein, the chairman of tea producers at the EATTA, said tea prices at the Mombasa auction had stagnated for a year despite the escalating cost of production. Mr Hussein is the representative of all tea farmers at the Mombasa auction.

“Unions are currently demanding a salary increase of between 15 and 25 per cent for employees at tea estates and spares for machines are also costly, the prices are unsustainable,” said Hussein.

He admitted that the quality of tea has dropped due to the use of tea-picking machines but excluded confidence that it will improve as producers gain experience with the new technologies.

“If the prices continue to be this low, I fear we will kill the goose that lays the golden egg (farmer). We must protect the farmer,” he said.

Peter Kimanga, a director at Mombasa-based UK’s Global Tea and Commodities, said Houthi rebels on ships off Yemen had also affected tea exports, resulting in huge outlots.

He said the freight has increased from Sh218,250 ($15000) to Sh436,500 ($3000) per container because ships use the longer route to avoid the Houthi at the Red Sea.

“There is a 16 per cent duty on all the tea that is value added locally, and 35 per cent import duty on packaging paper. This has made tea value addition expensive,” said Mr Kimanga.

Most ships to Mombasa have re-routed around the Cape of Good Hope, covering an extra 5,459 nautical miles compared to those using the Suez Canal, to avoid the attacks.

According to Kimanga, the government should strive to enable traders to export original tea by scrapping some tax policies inhibiting the value addition.

“Ninety-nine per cent of Kenyan tea is exported in bulk because of punitive policies and tax regimes that have made value addition expensive. Through value addition, prices will go up,” he said.

Tanzania representative at EATTA, Mr Jefferson Moturi, said due to a drop in prices some factories have closed in Tanzania and Uganda because farmers were abandoning the crop.

“In Tanzania, we pick tea for eight months and irrigate the bushes for four months, a costly exercise. Factories are closing down because it is no longer a profitable venture,” said Moturi.

EATTA chairman Arthur Sewe admitted that the overproduction of tea in Kenya and the other 10 countries trading the commodity at the Mombasa auction was a big concern.

“The tea prices at the auction are determined by the forces of demand and supply. We are engaging the stakeholders to come up with innovative ways forward,” he said.

Veteran tea trader Daniel Tanui said cess fees charged tea for moving between counties and delays at the borders due to non-tariff barriers at borders also eat into the farmers’ earnings.

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