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Tea Market Report: Sale 28 of 12th - 14th July, 2021

There was improved demand for the 202,817 packages (13.42m/kgs) but the majority of KTDA teas offered remained unsold due to the reserve prices placed on all their teas which resulted in the very high number of unsold teas (52.83%).

Current and Future Fresh Auction Offerings

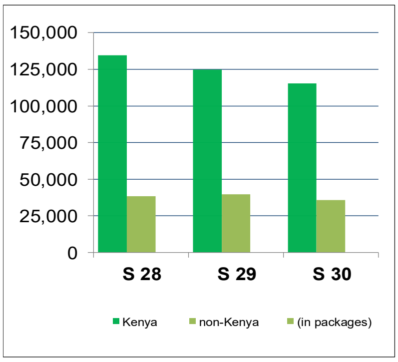
Country	Sale 28 12 - 14 Jul'21 MG	SG	Sale 28 13 - 14 Jul'20 MG	SG	Sale 29 19- 21 Jul'21 MG	SG	Sale 30 26 - 28 Jul'21 MG	SG
Kenya	123,340	11,180	115,100	10,272	112,960	11,880	104,080	11,200
Uganda	16,760	9,380	17,920	8,419	16,400	11,120	15,880	9,080
Tanzania	1,240	980	120	340	1,600	1,100	1,000	640
Rwanda	7,160	1,380	5,360	600	6,480	1,420	6,000	1,180
Burundi	1,000	380	2,320	420	1,400	280	1,760	280
Zambia	0	0	0	0	0	0	0	0
Malawi	0	0	0	0	0	0	0	0
Madagascar	0	0	0	0	0	0	0	0
Zimbabwe	0	0	0	0	0	0	0	0
D R Congo	0	0	0	0	0	0	0	0
Mozambique	0	0	0	0	0	0	0	0
Ethiopia	0	0	0	220	0	0	0	0
Reprints	25,720	3,137	11,860	6,725	21,380	3,100	10,480	2,180
Total	**149,500**	**23,300**	**140,820**	**20,271**	**138,840**	**25,800**	**128,720**	**22,380**
	172,800		**161,091**		**164,640**		**151,100**	

Leaf Grades

Offerings: 106,780 packages (6.98m/kgs). 63.98% remained unsold.

Best **BP1s** on offer met a strong enquiry advancing by USC2 - USC66 with Brighter categories a strong feature and gained USC18 - USC90 while a few Mediums were up to USC43 above last levels but many invoices remained without bids. Lower Medium varieties saw an irregular interest ranging between firm to USC12 dearer to easier by a similar rate. Plainer varieties held firm to USC26 dearer to easier by USC4 - USC14 and some teas remained unsold.

Best PF1s in the market gained USC18 - USC37 while Brighter categories advanced by USC26 - USC36 but some teas remained without bids. A few Mediums were up to USC25 above previous week's levels but some lines remained unsold without bids. Lower Medium types were irregular varying between USC6 - USC36 dearer to easier by up to USC5 with some teas unsold while Plainer descriptions ranged between USC4 - USC26 above last prices to easier by USC4 - USC14 and some invoices were neglected.



CTC Quotations and Highest Prices (USC)

	BP1			PF1		
Best	249	-	492	243	-	284
Good	270	-	398	237	-	258
Good Medium		257			239	
Medium		-			-	
Lower Medium	120	-	197	100	-	186
Plainer	092	-	156	080	-	168

DUST Grades

Offerings: 68,160 packages (5.02m/kgs) with 46.83% remaining without bids.

The Best PDUSTs on offer advanced by up to USC14 but a few lines shed up to USC6 with a few Brighter varieties gaining up to USC46 and many teas remained unsold while all Medium categories were unsold. Lower Mediums met improved activity with improved types steady to USC12 above previous week's rates but others eased by a similar margin. Plainer sorts were irregular varying between firm to USC10 above last prices to easier by up to USC3 and some invoices were unsold.

Best DUST1s available gained up to USC11 while others eased by up to USC5 with all Brighter and Medium varieties remaining unsold without bids. Lower Mediums appreciated by USC2 - USC10 and some invoices were unsold while improved Plainer descriptions held firm to USC12 dearer but many lines remained unsold.

Orthodox Grades

Offerings: 1,520 packages (76,320.00 kilos).

All offerings remained without bids and were unsold.

Secondary Grades

Offerings: 26,357 packages (1.34m/kgs) and 20.45% remained unsold.

In the Secondary Catalogues Best BPs were dearer with others steady while PFs gained. Clean well sorted colour Fannings appreciated while DUSTs gained. Other Fannings were dearer while similar DUSTs appreciated. BMFs were readily absorbed at easier rates.

Markets

Egyptian Packers lent strong interest and were dominant and there was more support from Kazakhstan, other CIS states and Bazaar. UK and Russia showed useful activity with good enquiry from Sudan. Pakistan Packers, Yemen and other Middle Eastern countries showed reduced interest with Afghanistan quiet while Iran were subdued. Local Packers showed less activity on account of price. Somalia were less active at the lower end of the market.

CTC Quotations and Highest Prices (USC)

	PD	D1
Best	180 - 244	170 - 251
Good	252	
Good Medium		
Medium		
Lower Medium	078 - 198	090 - 168
Plainer	077 - 148	078 - 132

Secondary Quotations (USC)

	BP/BP2	PF/PF2	FNGS1/FNGS	DUST / DUST2	BMF
Best/Good	170 - 226	166 - 182	098 - 176	066 - 236	
Good Medium / Medium					
Lower Medium	098 - 156	084 - 155	064 - 131	060 - 101	056 - 074
Plainer	085 - 139	076 - 164	068 - 126	054 - 102	053 - 072

Average Auction Hammer Quantities and Prices by Country

Country of Origin	Main			Secondary			Total			Total for Corresponding Sale for Last Year		
	Pkgs	Kgs	USC	Pkgs	Kgs	USC	Pkgs	Kgs	USC	Pkgs	Kgs	USC
Kenya	43,840	3,078,253	168	8,500	414,557	93	52,340	3,492,810	**159**	109,030	7,332,295	**180**
Uganda	15,017	966,410	115	8,660	425,432	83	23,677	1,391,842	**105**	22,944	1,325,726	**122**
Tanzania	1,120	67,400	111	1,000	48,948	73	2,120	116,348	**95**	620	28,312	**82**
Rwanda	8,520	598,535	247	1,360	90,765	172	9,880	689,300	**237**	4,880	335,128	**246**
Burundi	1,960	126,764	186	100	4,740	117	2,060	131,504	**183**	2,420	154,460	**189**
Zambia	-	-	-	-	-	-	-	-	-	-	-	-
Malawi	-	-	-	-	-	-	-	-	-	-	-	-
Mozambique	-	-	-	-	-	-	-	-	-	-	-	-
Madagascar	-	-	-	-	-	-	-	-	-	-	-	-
Zimbabwe	-	-	-	-	-	-	-	-	-	-	-	-
D R Congo	-	-	-	-	-	-	-	-	-	-	-	-
Ethiopia	240	14,047	105	-	-	-	240	14,047	**105**	360	15,840	**90**
Total	**70,697**	**4,851,409**	**167**	**19,620**	**984,442**	**95**	**90,317**	**5,835,852**	**155**	**140,254**	**9,191,761**	**174**

Sale Number	Previous Sale's Quantities and Prices									Total for Corresponding Sale for Last Year		
	Main			Secondary			Total					
Sale 27/21	141,340	9,726,908	**174**	22,717	1,137,668	**99**	164,057	10,864,576	**166**	151,741	10,011,700	**173**
Sale 26/21	145,897	10,033,937	**173**	22,159	1,115,190	**98**	168,056	11,149,127	**165**	145,760	9,692,971	**181**
Sale 25/21	133,180	9,126,465	**177**	24,176	1,215,472	**100**	157,356	10,341,937	**168**	165,486	10,887,869	**178**
Sale 24/21	135,160	9,257,232	**183**	23,579	1,184,204	**105**	158,739	10,441,436	**174**	155,970	10,236,627	**178**
Sale 23/21	137,667	9,440,747	**191**	23,060	1,149,080	**108**	160,727	10,589,827	**182**	151,638	10,039,385	**178**
Sale 22/21	146,240	10,044,649	**195**	22,519	1,125,888	**110**	168,759	11,170,537	**187**	141,920	9,505,801	**182**

Average Auction Hammer Prices by Grade and Country

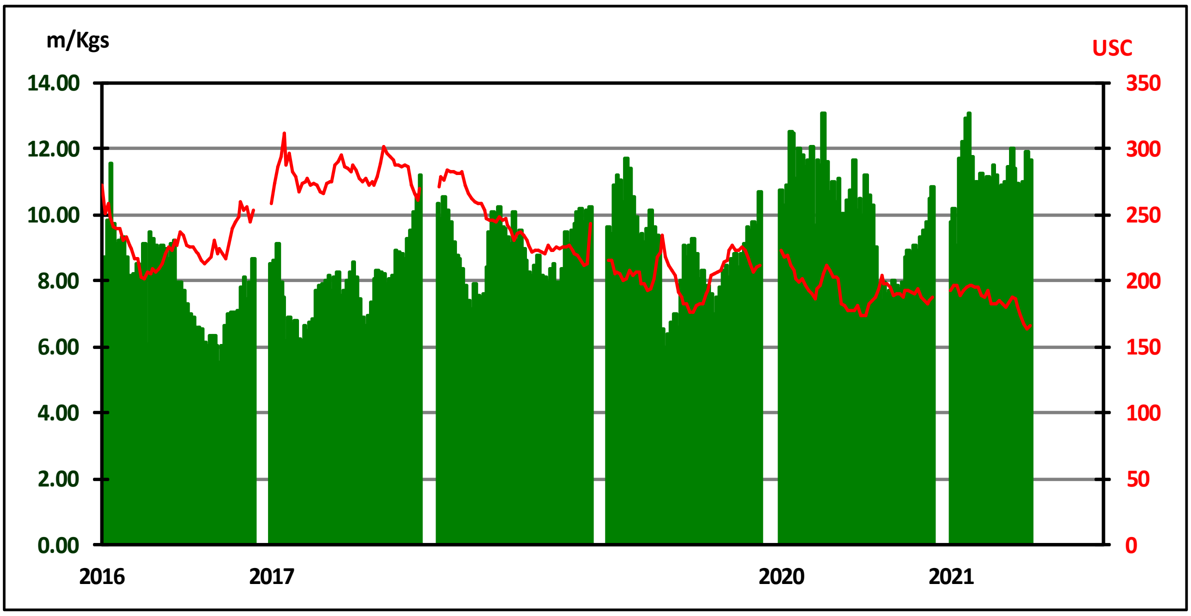
Country of Origin	Current Sale's Prices per Grade										Corresponding Prices per Grade for Last Year									
	BP1	PF1	PD	D1	BP/2	PF/2	D/2	F/1	BMF	Av	BP1	PF1	PD	D1	BP/2	PF/2	D/2	F/1	BMF	Av
Kenya	180	189	151	141	135	128	85	93	60	**159**	191	178	192	205	147	137	99	105	64	**180**
Uganda	122	124	111	100	99	104	79	93	57	**105**	133	130	137	145	132	107	101	83	60	**122**
Tanzania	109	109	115	92	106	100	70	73	64	**95**	107	100	-	93	106	-	62	80	60	**82**
Rwanda	317	230	218	207	197	175	153	148	68	**237**	274	243	260	247	213	176	179	161	64	**246**
Burundi	166	199	190	177	-	-	118	116	-	**183**	202	204	184	192	-	-	128	142	-	**189**
Zambia	-	-	-	-	-	-	-	-	-	**-**	-	-	-	-	-	-	-	-	-	-
Malawi	-	-	-	-	-	-	-	-	-	**-**	-	-	-	-	-	-	-	-	-	-
Mozambique	-	-	-	-	-	-	-	-	-	**-**	-	-	-	-	-	-	-	-	-	-
Madagascar	-	-	-	-	-	-	-	-	-	**-**	-	-	-	-	-	-	-	-	-	-
Zimbabwe	-	-	-	-	-	-	-	-	-	**-**	-	-	-	-	-	-	-	-	-	-
D R Congo	-	-	-	-	-	-	-	-	-	**-**	-	-	-	-	-	-	-	-	-	-
Ethiopia	-	-	105	-	-	-	-	-	-	**105**	-	-	135	-	-	78	70	81	-	**90**
	202	**184**	**148**	**138**	**145**	**117**	**94**	**94**	**58**	**155**	**188**	**178**	**185**	**191**	**148**	**119**	**106**	**99**	**62**	**174**

Sale Number	Previous Sale's Prices per Grade										Corresponding Prices per Grade for Previous Year									
	BP1	PF1	PD	D1	BP/2	PF/2	D/2	F/1	BMF	Av	BP1	PF1	PD	D1	BP/2	PF/2	D/2	F/1	BMF	Av
Sale 27/21	188	184	159	158	144	113	89	99	64	**166**	184	177	186	191	150	125	101	100	64	**173**
Sale 26/21	192	180	159	153	140	120	88	99	66	**165**	186	186	190	198	160	123	101	103	61	**181**
Sale 25/21	198	183	165	155	136	126	91	100	**69**	**168**	184	183	191	195	140	116	95	107	**59**	178
Sale 24/21	202	186	176	163	146	123	100	107	70	**174**	188	184	190	193	122	107	97	103	57	**178**
Sale 23/21	208	191	188	172	155	125	98	112	**71**	**182**	185	186	187	186	132	112	98	100	**56**	178
Sale 22/21	210	198	193	172	157	123	104	114	71	**187**	188	191	185	183	129	120	94	106	55	**182**

Average Auction Prices and Quantities by Country

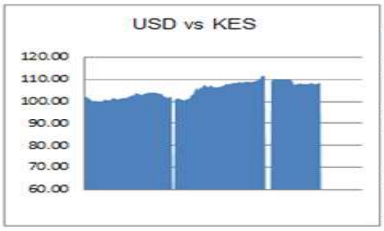
Country	Previous Sale Sale 27/21 Kgs	USC	Year To Date 2021 Kgs	USC	Last Year Sale 27/20 Kgs	USC	Year To Date 2020 Kgs	USC	Variance Year To Date Kgs	USC
Kenya	9,274,014	172	245,083,651	193	8,623,614	177	243,288,955	204	1,794,696	-11
Uganda	1,503,201	104	38,500,376	118	1,265,154	122	35,587,710	117	2,912,666	1
Tanzania	103,660	90	2,745,858	100	-	-	4,284,285	113	-1,538,427	-13
Rwanda	647,364	223	14,028,754	256	412,909	243	12,998,201	287	1,030,553	-31
Burundi	139,688	167	3,784,289	198	136,647	201	4,415,327	224	-631,038	-26
Zambia	-	-	-	-	-	-	-	-	0	0
Malawi	-	-	-	-	-	-	-	-	0	0
Mozambique	-	-	-	-	49,356	115	220,435	78	-220,435	-78
Madagascar	-	-	98,943	101	-	-	-	-	98,943	101
Zimbabwe	-	-	-	-	-	-	-	-	0	0
D R Congo	-	-	-	-	-	-	-	-	0	0
Ethiopia	-	-	114,283	140	24,213	84	478,876	121	-364,593	19
Total	**11,667,927**	**166**	**304,356,154**	**186**	**10,511,893**	**173**	**301,273,789**	**196**	**3,082,365**	**-10**

Mombasa Weekly Average Auction Quantities and Prices 2016—2021



	Jan		Feb		Mar		Apr		May		Jun		Jul		Aug		Sep		Oct		Nov		Dec		Total	
	Kgs	USC	Kgs	USC	Kgs	USC	Kgs	USC	Kgs	USC	Kgs	USC	Kgs	USC	Kgs	USC	Kgs	USC	Kgs	USC	Kgs	USC	Kgs	USC	Kgs	USC
2021	40.8	194	49.9	195	55.7	192	44.7	183	45.4	188	56.2	174	11.7	166											304.3	186
2020	44.4	217	47.4	203	56.5	192	46.9	205	42.5	189	53.0	181	42.3	176	34.6	192	39.1	194	33.3	192	36.1	190	40.6	187	516.8	193
2019	52.2	209	44.1	203	37.8	202	47.9	206	25.6	218	30.7	190	44.0	179	31.3	192	30.6	208	42.5	222	37.0	219	30.2	210	454.0	204
2018	50.7	278	35.0	282	30.3	265	40.6	252	39.9	246	38.0	239	44.9	233	33.6	223	32.9	223	42.9	225	39.5	219	30.1	213	458.4	243
2017	41.7	284	26.5	286	25.6	273	29.2	272	39.9	275	31.5	289	32.4	283	27.8	275	32.9	286	41.9	291	36.3	283	31.9	266	397.6	281
2016	38.4	256	37.4	238	41.8	224	36.1	204	45.4	212	35.3	227	29.9	231	32.8	219	24.5	222	25.2	222	37.2	250	24.0	251	407.9	229

Exchange Rates (2019-2021)



KES: USD	107.98	0.03	0.03%
KES:STG	149.53	0.27	0.44%
KES:EUR	127.87	0.15	0.12%
USD:STG	1.38	0.00	0.00%

During the week the Kenya Shilling traded between KES 107.95-108.00 and reached 108.00 at its lowest end week. Expectations are that the Kenya Shilling against US Dollar will trade at the level of 107.00 - 108.00 in the coming week.

(*These figures are given as a guide and readers are advised not to use them as a basis for business transactions*)

Auction Quantities

Country Offerings	This Week Sale 28/21 Packages	This Week Sale 28/21 Kgs	Year To Date 2021 Packages	Year To Date 2021 Kgs	Year To Date 2020 Packages	Year To Date 2020 Kgs	Variance Year To Date Packages	Variance Year To Date Kgs
Kenya	134,520	9,140,439	3,814,377	258,232,659	3,764,933	254,605,327	49,444	3,627,332
Uganda	26,140	1,508,736	699,942	40,541,104	641,671	37,013,535	58,271	3,527,569
Tanzania	2,220	116,908	58,919	2,981,824	99,409	5,413,438	-40,490	-2,431,614
Rwanda	8,540	588,955	211,280	14,460,277	199,779	13,688,969	11,501	771,308
Burundi	1,380	84,674	61,360	3,821,359	70,900	4,517,924	-9,540	-696,565
Zambia	0	0	960	56,740	0	0	960	56,740
Malawi	0	0	0	0	0	0	0	0
Mozambique	0	0	0	0	4,462	240,523	-4,462	-240,523
Madagascar	0	0	2,020	99,835	0	0	2,020	99,835
Zimbabwe	0	0	0	0	0	0	0	0
D R Congo	0	0	0	0	0	0	0	0
Ethiopia	0	0	1,900	106,726	9,580	469,143	-7,680	-362,417
Total	**172,800**	**11,439,712**	**4,850,758**	**320,300,524**	**4,790,734**	**315,948,859**	**60,024**	**4,351,665**

Sellers' Main Grade Quantities (in Packages)

Origin	BP 1 S 28	BP 1 S 29	BP 1 S 30	PF 1 S 28	PF 1 S 29	PF 1 S 30	PD S 28	PD S 29	PD S 30	D 1 S 28	D 1 S 29	D 1 S 30	Total S 28	Total S 29	Total S 30
KTDA	21500	13560	10560	53280	43220	38520	23240	18520	14640	8760	4760	5000	106780	80060	68720
Unilever Tea	1120	160	1000	1420	1400	1200	960	1000	1220	240	360	720	3740	2920	4140
James Finlay	40	160	80	200	780	1280	120	1240	1160	0	0	0	360	2180	2520
Eastern Produce	320	1000	1240	1100	2620	3,540	740	3700	1800	280	1080	880	2440	8400	7460
Others (K)	40	4960	3,740	160	11960	8,980	200	15400	11660	40	3140	2400	440	35460	26780
Uganda	160	2440	2680	120	5680	4,940	320	5160	4360	80	2040	1920	680	15320	13900
Tanzania	480	240	280	860	540	400	900	400	180	280	120	80	2520	1300	940
Rwanda	5400	2840	2600	5600	2880	2640	2960	1680	1220	1140	540	520	15100	7940	6980
Burundi	1440	960	1000	2160	760	720	680	320	360	440	80	240	4720	2120	2320
DR Congo	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Malawi	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Zimbabwe	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Madagascar	80	0	0	0	0	0	0	0	0	20	0	0	100	0	0
Mozambique	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Zambia	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Ethiopia	0	0	0	0	0	0	240	60	0	0	0	0	240	60	0
Total	30580	26320	23180	64900	69840	62220	30360	47480	36600	11280	12120	11760	137120	155760	133760

Buyer Purchases of Teas Offered by Grade (in Packages)

	BUYER	%	Total	BP1	PF1	PD	D1	BP2	PF2	D2	FNGS	BMF
1	LAB INTERNATIONAL KENYA LTD	4.92	9,960	160	1,160	6,520	2,040	20	20		40	
2	CHAI TRADING COMPANY LTD	4.36	8,820	400	5,800	1,600	760	60	100		100	
3	GLOBAL TEA & COMMODITIES KENYA LTD.	4.08	8,260	600	4,240	2,360	600			360	80	20
4	JAMES FINLAY MOMBASA LIMITED	3.50	7,080	80	1,040	5,740		20		200		
5	SSOE (KENYA) LIMITED	2.73	5,520	960	2,560	640	100	300	60	820	40	40
6	M J. CLARKE LTD	2.47	5,000		220	3,960	200		260	20	340	
7	VAN REES KENYA LIMITED	2.29	4,640	520	1,040	740	400		540	20	1,240	140
8	GOLD CROWN FOODS (EPZ) LTD	2.09	4,220	200	80		20	320	200	400	900	2,100
9	ABBAS TRADERS LTD	1.87	3,780	280	1,020	1,720	40	420		240	60	
10	COFFTEA AGENCIES LTD	1.84	3,720	1,600	800				100		1,020	200
11	CARGILL KENYA LTD	1.71	3,460	1,120	2,140	200						
12	SHAKAB EXPORT & IMPORT CO. LTD	1.42	2,880	40	1,280	320	760	240	60	140	40	
13	CHAMU SUPPLIES LIMITED	1.27	2,577	40		1,557	280		300	20	380	
14	SUMMER LINER CO. LTD	0.84	1,700	440	120	80		260	120	40	220	420
15	TUSHA TEA LTD	0.76	1,540	40	80	880	240			220	80	
16	SALIM MERCHANDISE COMPANY LTD	0.73	1,480	120	1,360							
17	INDO-AFRICAN TEA CO. (K) LTD.	0.71	1,440	720	280	440						
18	AL EMIR LIMITED	0.70	1,420		1,040	140	160	20	20	20	20	
19	DEVCHAND KESHAVJI (K) LTD	0.70	1,420		1,420							
20	AIMCO ENTERPRISES LTD	0.57	1,160								120	1,040
21	STANSAND (A) LTD	0.56	1,140		480				280		380	
22	RANFER TEAS KENYA LTD	0.47	960	360	460		80	20	20	20		
23	ALIBHAI RAMJI (MSA) LTD	0.46	940		440				40	60	400	
24	LINDOP & COMPANY (KENYA) LTD	0.39	780		200	40			120		420	
25	GREAT WHITE PACKERS LTD	0.36	720	40	340	200			20	60	60	
26	MCLEOD RUSSEL AFRICA LIMITED	0.34	680	200	80	240	120			40		
27	LULA TRADING COMPANY	0.27	540					200				340
28	EMPIRE KENYA (EPZ) LTD	0.24	480	480								
29	KIRINDO TRADERS LIMITED	0.24	480	160	40			80		40	60	100
30	LUTEX LIMITED	0.22	440	120				60	100		140	20
31	AFRO TEAS LTD	0.20	400	120							40	240
32	TROPICAL CROPS & COMMODITIES	0.19	380	40	120					40	140	40
33	AXIS TEA & SERVICES LIMITED	0.18	360							160		200
34	JALEEL TRADING COMPANY	0.18	360	40							20	300
35	JAWAI TEA LIMITED	0.16	320	200	80	40						
36	MAYMUN ENTERPRISES	0.14	280								280	
37	MAISHA COMMODITIES	0.11	220			40			80	20	80	
38	MOMBASA TEA TRADERS LTD	0.10	200			120	80					
39	IMPERIAL TEAS (EPZ) LTD	0.09	180	40		40	40	20	20	20		
40	RIOTANA TRADING LIMITED	0.06	120	80				40				
41	GREEN LEAF TRADING CO. LTD	0.05	100								100	
42	TANZIIL TRADING LIMITED	0.04	80									80
43	TRANS-ATLANTIC TRADING Co. LTD	0.02	40							40		
44	TRUST TEA TRADERS EAST AFRICA LTD	0.02	40	40								
	Total Sold	44.65	90,317	9,240	27,920	27,617	5,920	2,080	2,460	3,000	6,800	5,280
	Withdrawn	0.06	120	80			40					
	Unsold	55.32	111,276	22,260	47,680	27,660	7,620	680	1,080	580	3,356	360
	% Unsold			70	63	50	56	25	31	16	33	6
	Grand Total	**100.00**	**201,713**	**31,580**	**75,600**	**55,277**	**13,580**	**2,760**	**3,540**	**3,580**	**10,156**	**5,640**

Sale 27/21	84.84%	164,057	23,920	63,040	42,060	12,320	2,537	3,080	2,620	9,700	4,780
Sale 26/21	81.74%	168,056	18,960	74,820	42,278	9,839	2,260	3,520	3,120	7,599	5,660
Sale 25/21	79.18%	157,356	18,980	68,020	36,980	9,200	2,716	3,540	3,780	8,460	5,680
Sale 24/21	85.30%	158,739	18,320	66,960	38,740	11,140	2,320	3,140	3,680	8,879	5,560
Sale 23/21	84.05%	160,727	20,980	65,631	39,616	11,440	2,200	3,320	3,240	8,720	5,580
Sale 22/21	86.64%	168,759	24,540	67,480	39,440	14,780	2,500	3,399	2,980	8,340	5,300

Other Tea Auction Centres

Jakarta: at Sale 27 held on the 7th July, 2021. A larger sale, with offerings today comprised of 6,460 psacks orthodox and 1,300 psacks CTC teas. There was good general demand at irregular levels. The brighter, improved West Java teas were dearer by upto 5 usc per kg while the rest were about steady. Plainer sorts were softer, ruling upto 5 usc below last. Demand was widespread, with no much change in the buying pattern.

Colombo: at Sale 26 held on 6th and 7th July, 2021, The 1.0Mkg of Ex Estate teas on offer met with irregular demand at lower levels. A few select best Western High Grown BOPs appreciated following quality, the below best and plainer varieties were firm to marginally dearer at times. Select best Western High Grown BOPFs gained following quality and special inquiry, the below best varieties were irregularly lower whilst, the plainer types met with poor demand. Nuwara Eliya BOPs were irregularly dearer, however the BOPFs were irregularly easier. Udapussellawa BOPs were firm, the BOPFs were barely steady. Uva BOPs gained Rs.10/- to Rs.20/- at times, the others were firm, the BOPFs were irregularly easier following quality. Low Grown CTC BP1s were tending lower, the High and Medium types were firm to a little irregular at times. Low Grown PF1s eased Rs.10/-to Rs.20/-, the High and Medium sorts maintained last week's levels. The 3.0Mkg of Low Grown teas which were on offer met with fair demand. Select best OP1s declined by a few rupees, best and below best OP1s met with improved demand. Well-made BOP1s were firm, others met with better demand. Select best and best OP / OPAs were mostly firm. Well-made Bold Pekoes met with reasonable demand. Shotty Pekoe1s were irregularly lower. In the Small Leaf segment, select best BOP.SP / BOPF.SP and BOPFs met with fair demand. Select best and best BOPs firm. Select best FBOPs attracted good demand, others too followed a similar trend. Select best FBOPF1s were firm, others too followed a similar trend. FBOPFs attracted reasonable interest. All Premium Flowery teas met with fair demand. Turkey, Russia, Iran and the C.I.S. countries lent fair support. Libya and Iraq were selective.

Chittagong: at Sale 09 held on 5th July, 2021. **CTC LEAF**: 31,976 packages of Current Season & 105 packages of Old Season teas on offer met with quite a fair demand.

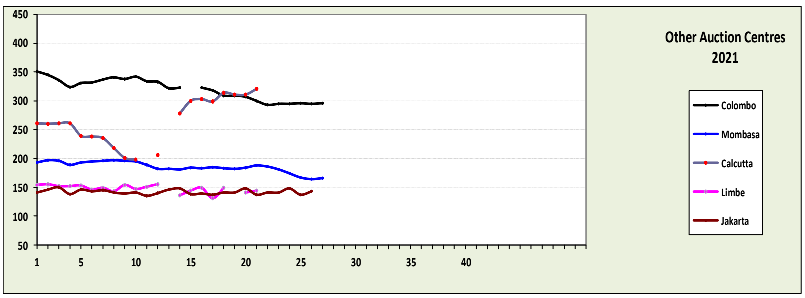
Auction Offerings				
	Week 27	**Week 28**	**Week 29**	**Week 30**
Centre	06-Jul	13-Jul	20-Jul	26-Jul
Mombasa	205,776	193,154	201,657	189,120
Limbe	9,280	8,160	7,560	5,200
Colombo	7.2m/kgs	7.1m/kgs	7.1m/kgs	6.8m/kgs
Jakarta	7,560	9,080	9,760	9,340
Calcutta	82,964	92,784	140,904	163,041
Guwahati	169,198	191,632	192,883	197,644
Chittagong	45,990	66,513	60,890	-
Total	**391,814**	**402,026**	**411,860**	**401,304**

BROKENS: All well made Brokens met with a good demand although prices eased a little. Medium varieties witnessed a fair demand at lower rates. Plain and BLFs met with a selective demand and where sold declined by upto Tk.5/-. **FANNINGS**: Best Fannings witnessed a fairly good demand at lower rates declining by Tk.3/- to Tk.5/- over last. Other varieties saw a fairly good demand and were about steady. Plain and BLFs met with a selective demand and where sold declined by upto Tk.5/-. **CTC DUST**: 11,201 packages of Current Season & 45 packages of Old Season teas on offer met with quite a fair demand. Good liquoring Dusts met with a good demand at slightly easier rates particularly CDs which declined upto Tk.15/-. Others witnessed a fair demand at lower rates. Plain and BLF met with a selective demand with more withdrawals compared to last. Blenders were the mainstay of the Dust market whilst Loose tea buyers lent only fair support. **COMMENTS**: Today's sale was held amidst a strict lockdown where a fewer number of buyers participated. However, Blenders were active but there was less competition. As a result, price levels declined a little with the exception of best liquoring teas which continued to sell well. Dusts were an easier market

Cochin: at Sale 26 held on 30th June, 2021. **CTC Leaf**: Fair demand. Brokens and fannings eased by 1-2c. Buying pattern: Upcountry buyers lent fair support. Exporters operated on bolder grades. **ORTHODOX** Leaf: Good demand. Well made high grown whole leaf and brokens met with good enquiry and prices realized firm levels. Medium whole leaf, brokens and fannings sold at irregular levels. Buying pattern: CIS/Middle East exporters active. Upcountry buyers lent support on whole leaf grades. **Dust**: Fair demand. Good liquoring popular marks and better mediums opened on a firm to dearer note and eased in value as the sale progressed. Mediums and plainers irregularly lower with some withdrawals. Buying pattern: Major blender AVT and KSCSC were active. Indcoserve operated. Best mediums witnessed fair support from regional packeters. Upcountry buyers were selective in their purchases.

Calcutta: Sale 27 held on 6th and 7th July, 2021. **CTC Leaf:** There was good demand. Best & good Assams were barely steady to easier with lower support from major blenders. Medium & other varieties were easier. Dooars were overall an easier market. Dust: There was good demand. Select brighter liquoring Dust & CD grades sold around last levels. However, similar quality PD grades did not witness similar competition & sold at easier rates. The remainder was irregularly easier. M/s Hindustan Unilever & M/s Tata Consumer Products operated in both markets. The former was especially active on brighter liquoring dust grades. Western India & Central India buyers were active on brighter Assams. Exporters showed very little activity. Regional packeteers showed limited activity. Local buyers operated on the Dooars. **ORTHODOX:** There was good demand. Whole leaf & brokens were around last levels whilst fannings were easier. Exporters were active.

Guwahati: at Sale 27 held on 7th July, 2021 with 206,742 packages of tea on offer. **Market: CTC** There was continued good demand for good and best Assams on offer at around last levels. Demand was only fair for medium Assams, Cachars and BLF teas at generally steady to easier rates. There were sizeable withdrawals in these segments. **Buying Pattern:** HUL/TCPL were more active. There was good support forthcoming from Western India buyers, other upcountry destinations operated selectively. There was limited export enquiry. **Market: DUST** Demand was good for good, better medium and best Assams on offer at around last levels. Remainder teas on offer met with sluggish demand and witnessed significant withdrawals particularly BLF teas at barely steady to easier rates. **Buying Pattern:** TCPL/HUL lent good support with the former increased substantially compared to the previous week. Buyers from the upcountry destinations operated. There was nominal export enquiry.



News Articles of Interest

Monday, 12 July, 2021

Kenya: CJ Koome to Form Bench to Hear Cases on Tea Sector Reforms

Tea farmers and other stakeholders are hoping Chief Justice Martha Koome will appoint a bench of at least three judges to determine eight cases related to recent policy changes. The cases were forwarded to the CJ by High Court Judge Anthony Mrima following a finding that the disputes raise substantial questions of law that can be better dealt with by an expanded bench. Justice Mrima divided the cases into two clusters. One contains five consolidated petitions challenging the constitutionality of various sections of the Tea Act, No. 23 of 2020 and of The Crops (Tea Industry) Regulations, 2020. The other set has three cases touching on the ownership, management and operations of the Kenya Tea Development Agency (KTDA) and its subsidiaries. Judge Mrima said it is prudent that the two sets of matters be dealt with separately.

Pillar of the economy

In the directions, the judge noted that the tea sector is not only one of the main pillars of the economy, but also a key foreign exchange earner, with Kenya rated second to China in tea exports. He observed that a considerable fraction of Kenya's population is involved in the tea production value chain. "The sector includes many players, among them farmers, factory owners, workers, agents, brokers, tea auctions, and many others. It is, therefore, on the foregoing basis that any intended reforms in the tea sector must be carefully undertaken," he observed. The reforms, he said, had sparked several court cases and his court had taken note of the number of lawsuits filed and the magnitude of the issues raised. "The matters are of immense public interest and the issues raised are not only weighty, but also complex," said Justice Mrima when he forwarded the files to the Chief Justice. He also directed that another petition from some directors of KTDA factories and tea tasters challenging the Tea Act, 2020 be returned to the Employment and Labour Relations Court in Nakuru. The workers say the new Act could lead to the termination of their contracts without a hearing, reduce their salaries or change their terms of employment. They argue that sections 34(5) and (6) of the Tea Act, 2020 breach their labour rights under the Constitution by abolishing their offices without the holders getting an opportunity to be heard.

Orders in force remain

The judge also said all orders now in force will remain until the expanded bench issues further directions. The main parties in the cases include former and current KTDA board members, the Attorney-General, the National Assembly, the Cabinet secretaries for Agriculture and Interior, the Directorate of Criminal Investigations, the Inspector-General of Police, the East African Tea Trade Association and the Agriculture and Food Authority. The interested parties include the Kenya Small Tea Holders Growers Association, the Council of Governors and tea sector activist and Murang'a politician Irungu Nyakera. In the court filings, Agriculture Cabinet Secretary Peter Munya contends that it is in the public interest that the Tea Act, 2020 be implemented.

Get maximum profits

He says the objective of the Act is to ensure that tea farmers get maximum profits. "Over the years the tea farmer shouldered the cost burden of production and sale of tea while benefits are taken by middle men and brokers," he says. He cites Section 34 of the Act, which he says arose from the outcry of tea farmers regarding the unconscionable nature of agreements signed by their factories and KTDA as a management agent. "The agreements are restrictive and lopsided in favour of the management agent at the expense of the tea factory by extension the tea farmer," he says. "The management agreements entered with KTDA are standard form contracts prepared by the Management Agent. The tea factories have no independent legal counsel to advise and to ensure that their interests are protected." "There is also no room for the tea factories to evaluate the performance of the management agent or to renegotiate the agreements, since they are self-renewing," he says. The cases will be fixed for mention before the expanded bench on July 22 or earlier on notice to parties. Source: https://allafrica.com/

Saturday, 10 July, 2021

Tea Prices Set To Go Up Despite Low Production

The government is working on modalities to stabilize and improve the price of Tea prices even as the country posted a slight fall in production compared to last season. Agriculture Cabinet Secretary Peter Munya expressed fears that production of Tea in the current year will significantly come down going by production figures in the first five months of the year. "Production stood at 230 million kilograms against 254 million kilos the same period last year thus the country already has a deficit of 24 million kilos," Munya said. Speaking to the press on tea prices at a Nairobi hotel, Munya said smallholder tea producers shall now set a reserve minimum average price at the Auction based on the cost of production, the grade of the tea and a reasonable return to the tea farmer. The CS said in the last few weeks a sharp decline in tea prices at the Mombasa Tea Auction has occurred with the average prices recorded having dropped to an all-time low of USD1.80. "This is much lower compared to an average price of USD2.09 recorded during the same period last year and USD2.23 for the same period in the year 2019," Munya said. He said the price is not only lower compared to the previous years but is also almost at par with the cost production which currently stands at approximately USD1.70 and therefore not sustainable as farmers are now operating at a loss. Munya noted that parties in the auction system are expected to give support to the smallholder tea farmers to ensure sustainability of the tea sub-sector and continuous supply of high-quality tea to the auction and our export markets. He said projections show that there will be significant reduction in production for the remainder of the year to a level that will make it impossible for the produce to be readily absorbed by the market. "This is the time we should now be realizing fairly improved tea prices than what is currently being recorded at the auction", Munya said. Smallholder producers, the CS also explained are expected to strategically manage their supplies of black CTC to the Auction and this will include diversification into Orthodox tea production which should be enhanced especially during the flash periods. "The Government is willing to partner with the smallholder producers to facilitate diversification into Orthodox tea manufacture as well as in its marketing and promotion," Munya said. The CS further said that the smallholder producers will be required to reengineer their processes in order to cut down on operational inefficiencies and wastage. Government through the Ministry and in collaboration with other state agencies will facilitate support for reduction of farm inputs costs and costs associated with storage, transportation logistics and port handling. "Specifically, my Ministry is exploring the possibility of the use of SGR as an affordable alternative for transporting tea to the port of Mombasa and with regard to storage, exploring the use of existing Government storage facilities around the smallholder tea factories. He reiterated that smallholder producers must explore competitive rates for transportation of the tea to the storage facilities as the "first mile" as this will lead to significant savings and consequently enhanced growers' earnings. Meanwhile, The CS said tea factories management together with the Tea Board of Kenya and other relevant government agencies will be expected to urgently address the malpractices surrounding the falsification and manipulation of weighing of green leaf at tea buying centers with a view to ensuring that farmers derive maximum benefit from their produce. On the new leadership in the smallholder sub-sector that takes charge in the factories and at the KTDA Holdings, Munya said he expects that they will immediately commence the implementation of the reforms contained in the Tea Act, 2020 and which are geared towards facilitating improved farmers' earnings as well as a competitive and sustainable tea sub-sector. The Tea smallholder sub-sector accounts for 56 percent of the national production is the most affected by production and also in pricing and this is a threat to the livelihoods of over 620,000 smallholder farmers and the country's socio-economic growth. According to CS Munya, if this worrying trend is not urgently addressed, there is a high risk that farmers may abandon tea farming and shift to other economic activities, thus affecting the over 6.5 million Kenyans who depend on the tea value directly and indirectly. The Tea reforms agenda engineered by government is geared towards transforming the pricing mechanism through automation of the Auction trading platform and whose system has already been implemented. Source: https://www.kenyanews.go.ke/

Regional Weather Conditions and World Crop

Kenya: Murang'a: There was 11mm of rainfall recorded in 4 wet days of the week. The highest and lowest temperatures were 26˚c & 9˚c respectively. Crop intake averaged 34 tonnes/day on a six day plucking cycle.

Nyeri: The week was cold and rainy. 25.2 mm of rainfall was recorded in five wet day. The highest and lowest temperatures were 21˚c & 12˚c respectively. Crop intake declined to an average of 17 tonnes/day on a six day plucking cycle.

Meru: It was sunny on Monday otherwise the rest of the week was mostly cloudy with no rainfall activity recorded throughout the week. There was a cloudy cold spell on Tuesday running through to Saturday morning. The highest and lowest temperatures were 25˚c & 14˚c respectively. Crop intake averaged 26 tonnes/day on a six day plucking cycle.

Sotik: The area continued to experience cloudy and cool conditions accompanied by showers throughout the week. The area registered rainfall of 49.9mm spread in six days. The highest and lowest temperatures were 24˚c & 12˚c respectively. Factory utilization remained as last week's levels.

Kericho: Low temperatures experienced accompanied by partly sunny intervals, cloudy afternoons and some evening showers. A total of 65.3mm of rainfall was recorded with some estates reporting hail storms. Average temperatures were Maximum 20° Celsius and Minimum 11° Celsius. Crop intake for the week dropped by 18% compared to previous weeks level. Crop on offer has slightly declined and the intake is expected to remain around these current levels in the coming days of this period as cold weather continues.

Uganda: there was sustained rainfall activity in most tea growing areas. Fort Portal received 03mm (16mm), Hoima 11mm (5mm), Bushenyi 8mm (3mm) and Kibale was maintained at 7mm (7mm). Average temperatures were highs of 30° Celsius and lows of 15° Celsius. Crop volumes increased.

Rainfall Forecast 13 - 20 July

Headline: Heavy to very heavy rainfall is expected over parts of Ethiopia, Sudan, South Sudan, Djibouti, and most of Eritrea. Stakeholders are advised to take appropriate measures.

The trouble with weather forecasting is that it is right too often for us to ignore it and wrong too often for us to rely on it.

Heavy to very heavy rainfall (top 10 to 5% on record) from 100 to more than **200 mm** expected in northern and eastern Ethiopia, most of Djibouti and Eritrea, south-western, southern, and eastern Sudan, and north-eastern South Sudan.

Moderate rainfall between 50 - 200 mm expected over parts of Ethiopia, South Sudan, southern areas of Sudan, northern Uganda, and localized areas in central Kenya.

Light rainfall of less than 30 mm is expected over southern parts of Ethiopia, southern Eritrea, western and central Uganda, northern Rwanda, central Sudan, and coastal areas in Kenya, Somalia, and Tanzania.

Dry conditions are expected in northern Sudan, southern Ethiopia, much of Somalia, Kenya, Burundi, Uganda, and Tanzania.

Note: 1 mm of rainfall is equivalent to 1 liter of rainfall per square

<u>July 2021 Climate Forecast Discussion for Jul-Sep through Oct-Dec</u>

The sea surface temperature (SST) forecast indicates that the tropical Pacific is currently ENSO-neutral and will likely remain so through the boreal summer. This small collection of models suggests a re-emergence of cool SST anomalies near the end of 2021 that are just cool enough to meet the La Niña condition threshold of -0.5 C below average; however, they are not forecast to persist long enough to constitute a second La Niña event. Nonetheless, this La Niña-like SST pattern in the latter seasons of the forecast does impact the associated seasonal climate forecast. The SST forecasts over the upcoming seasons are primarily for normal conditions in the tropical Indian and Atlantic Oceans; however, there is some indication of warmer than normal SSTs in the equatorial Atlantic, and additionally some warming over the western equatorial Indian ocean is predicted with the re-emergence of La Niña.

Precipitation forecasts show enhanced probabilities of above-normal precipitation over the Maritime Continent and much of eastern Australia for all forecasted seasons. Enhanced probabilities of below-normal precipitation are forecast over northwestern United States, parts of Central America, and much of southern South America for the Jul-Sep season. Forecasts suggest enhanced likelihood for below-normal precipitation developing by Sep-Nov over parts of the Middle East and the equatorial coast of West Africa, and the confidence in the below-normal forecasts increases over Chile, southern Argentina, southern Brazil and Uruguay. For Oct-Dec, below-normal precipitation remains likely over much of the Middle East and SW Asia, and develops over Texas and Mexico.

All forecasted seasons show an increased likelihood for above-normal temperatures for the high latitudes of the Northern Hemisphere. In Jul-Sep enhanced probabilities of above-normal temperatures are also forecast for the northern tier of the United States. By Sep-Nov, the warm forecasts for the high-latitudes become even more confident, as the season of Artic sea ice minimum arrives. Also, in Sep-Nov, a likelihood for above-normal temperatures appears over the Great Plains of the US and over western China. For Oct-Dec, a localized high probability for above-normal temperatures appears over Texas; the high-latitude forecasts favouring above-normal temperatures expands into eastern Canada and much of northern Asia.

Crop production **Kenya:** Crop production declined further as the impact of the cold season especially EoR becomes apparent. WoR volumes are relatively stable but are expected to steadily decline as the cold season peaks in July and the useful drizzles diminish.

Uganda: Crop volumes increased. This past week sustained rainfall activity was recorded in all the tea growing areas and the good volumes will be maintained as long as the favourable conditions last.

Malawi: Crop intakes continues on a downward trend.

World Production from Main Producing Countries over the Past Twelve Months															Production over calendar years	
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	+ / - Variance	2020	2019
Bangladesh	0.3	1.2	1.7	3.9	8.7	11.7	12.2	11.3	12.1	13.4	10.5	7.0	5.9	2.1	90.7	94.6
North India	-	2.2	46.9	51.4	77.4	116.5	140.7	142.9	163.8	155.6	127.6	53.4	177.9	45.0	1,033.4	1,170.6
South India	16.1	15.3	19.6	22.0	24.4	22.0	20.3	16.8	24.1	20.2	21.4	18.1	97.4	20.9	219.4	218.7
Sri Lanka	23.1	22.3	28.4	29.6	30.4	26.8	26.3	22.4	21.9	23.4	24.8	28.5	133.8	32.0	275.9	298.1
Kenya	48.9	43.3	48.7	44.3	47.0	46.4	36.6	38.5	43.4	48.3	47.7	54.4	185.2	(23.1)	570.6	459.0
Uganda	6.1	4.5	6.4	6.9	7.0	6.5	5.5	4.5	6.0	7.6	6.6	6.7	10.6	(1.4)	28.3	59.7
Tanzania	3.8	2.8	3.4	3.3	2.5	1.7	1.2	0.8	1.7	2.7	2.5	2.2	28.6	0.0	28.6	33.9
Rwanda	3.2	3.0	3.4	3.3	2.9	2.8	2.1	1.6	1.7	2.5	3.3	3.5	12.9	0.1	33.2	32.2
Malawi	7.0	7.2	8.0	6.4	3.8	1.4	1.1	1.3	2.8	2.1	1.4	5.3	32.4	2.6	45.2	48.3
Total	104.7	97.8	156.7	160.9	136.0	229.3	240.5	235.6	237.5	4.6	245.8	179.1	656.1	78.2	2,325.3	2,415.1
Variance	(0.7)	1.8	30.8	36.7	(52.8)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	15.8			

*Monthly figures in **"BLACK"** are for 2021 whilst figures in **"BLUE"** are for 2020*

Mombasa Auction—Weekly Sale Average Prices (All teas) 2021

Sale Nos.	Sale Date	Kilos sold Weekly	Kilos Sold monthly	Year : 2021 Av.Price US$ weekly	Year : 2021 Av. Price US$ monthly	Year : 2020 Av. Price US$ monthly	Year : 2019 Av. Price US$ monthly
1	05-Jan-21	9,791,304		1.93			
2	12-Jan-21	10,195,498		1.97			
3	19-Jan-21	9,094,727		1.96			
4	26-Jan-21	11,713,721		1.89			
			40,795,250		1.94	2.17	2.09
5	02-Feb-21	12,192,341		1.93			
6	09-Feb-21	12,945,087		1.95			
7	16-Feb-21	13,051,731		1.96			
8	23-Feb-21	11,798,728	49,987,885	1.97	1.95	2.03	2.03
9	02-Mar-21	11,205,377		2.06			
10	09-Mar-24	11,015,249		1.95			
11	16-Mar-21	11,259,688		1.89			
12	23-Mar-21	11,064,181		1.88			
13	30-Mar-21	11,146,680	55,691,175	1.82	1.92	1.92	2.02
3 mths Totals:					$1.94 146,474,310 Kgs	$2.03 148,359,082 Kgs	$2.04 134,129,903 Kgs
14	06-Apr-21	11,106,771		1.82			
15	13-Apr-21	11,521,994		1.83			
16	20-Apr-21	11,178,057		1.82			
17	27-Apr-21	10,852,098		1.85			
			44,658,919		1.83	2.05	2.06
18	04-May-21	10,912,164		1.82			
19	11-May-21	11,006,663		1.80			
20	18-May-21	11,474,571		1.84			
21	25-May-21	12,002,714	45,396,112	1.88	1.84	1.89	2.18
22	02-Jun-21	11,407,495		1.86			
23	08-Jun-21	10,959,073		1.81			
24	15-Jun-21	10,896,353		1.74			
25	22-Jun-21	10,985,869		1.67			
26	29-Jun-21	11,910,098	56,158,888	1.64	1.74	1.79	1.90
6 mths Totals:					$1.87 292,688,228 Kgs	$1.97 290,761,896 Kgs	$2.04 238,404,735 Kgs
27	06-Jul-21	11,667,927		1.66			
28	13-Jul-21						
29	21-Jul-21						
30	27-Jul-21						
			11,667,927		1.66	1.76	1.79
31	03-Aug-21						
32	10-Aug-21						
33	17-Aug-21						
34	24-Aug-21						
35	31-Aug-21		-			1.92	1.92
36	07-Sep-21						
37	14-Sep-21						
38	21-Sep-21						
39	28-Sep-21		-			1.94	2.08
9 mths Totals:						$1.94 406,720,334 Kgs	$2.00 344,324,012 Kgs
40							
41							
42							
43			-			1.90	2.22
44							
45							
46							
47							
48			-			1.90	2.19
49							
50							
51							
			-			1.85	2.10
Sale Nos. 1 to 51 Year end Totals :						516,802,891 Kgs $1.93	454,012,998 Kgs $2.04

Summary : Sale Averages by Country

	Year : 2021 Sale Nos: 1 to 26 (6 months)			Year : 2020 Sale Nos: 1 to 26 (6 months)	
Country :	Kilos ' 000	Av. Prc US$	Country :	Kilos ' 000	Av. Prc US$
Kenya	235,810	1.94	Kenya	234,665	2.05
Uganda	36,997	1.19	Uganda	34,323	1.17
Tanzania	2,642	1.00	Tanzania	4,284	1.13
Rwanda	13,381	2.58	Rwanda	12,585	2.88
Burundi	3,645	1.99	Burundi	4,279	2.25
Malawi	-		Malawi	-	-
Mozambique	-		Mozambique	171	0.67
D R Congo	-		D R Congo	-	-
Madagascar	99	1.01	Madagascar	-	-
Ethiopia	114	1.40	Ethiopia	455	1.23
Total :	292,688	1.87		290,762	1.97

Year 2019 : 12M	454,013	2.04
Year 2018 : 12M	458,361	2.43
Year 2017 : 12M	397,646	2.81
Year 2016 : 12M	407,989	2.29
Year 2015 : 12M	358,639	2.73
Year 2014 : 12M	390,246	2.03

Compiled by : Tea Brokers East Africa Ltd