

TEA MARKET REPORT

Week Ending
30th April 2017

North India has reported a very healthy crop over the first half of April as a result of which, while in this week's auction the percentage of Assam teas went up, the increase had the expected effect on prices which headed marginally southward. Regardless, the continuing conducive weather would mean that the annually much awaited Second Flush should be on schedule by mid-May. While scattered and not across the board, South India has also been at the receiving end of some tea friendly weather so that in parts the crop prospects are looking healthy. Which again has had the expected impact on the market with prices generally heading south. Colombo once again met a fully firm market for Low Grown, while on the other hand High Grown have been trading easier with crop intakes heading in the right direction. Good cropping conditions are also being reported from Jakarta, though here too the auction of this week was generally easier even though demand was healthy. Vietnam has had a slow start to the season with weather delaying the first plucking somewhat.

With some level of muted buyer activity, Mombasa recorded a generally easier trend in the market, mainly for the middle segment while the better teas managed to hold their own. Malawi, getting seasonally colder, is seeing the expected decline in crop intakes with pruning activities picking up steam. Resultantly some factories have already closed down for their annual maintenance.

In a nutshell, normal all around!

Argentina

No report.

India – North

39K+ packages of CTC Leaf on offer, with the better Assams meeting with good demand, selling at irregular levels around last. Other Assam varieties were irregular and easier with browner leaf and plainer liquoring sorts meeting with only a fair level of demand leading to withdrawals. A seasonal drop in quality of the Dooars led to good teas selling at lower levels though the select better invoices remained at around last levels. Likewise the limited volume of 6K+ packages of CTC Dust evoked only fair demand so that while the select brighter liquoring teas were barely steady, the remainder tended irregularly easier. With the domestic trade operating selectively on good Assams and brighter liquoring Dooars, there was some export enquiry on Fannings and select larger Broken. The major blender extended support on the plainer Dooars and brighter liquoring Dusts.

The 10K+ packages on offer in the Orthodox Leaf sale met with good demand. While the well styled and brighter liquoring Whole Leaf and Broken sold at irregular levels around last, even the plainer W/L and Fannings were a firm market. No change in the buying pattern with the exporters being the mainstay of the market with some enquiry from the internal segments on plainer teas.

Weather Conditions upcountry remain conducive for growth. The first half of April has seen excellent cropping conditions. With the weather being forecast to be good going forward, conditions are as good as they could possibly be.



India – South

While in general there was decent though selective demand, across the board including the better offerings, mediums and plain teas were all lower by ₹5/8, with some lines easing even further. Similarly Dusts also met with selective demand, though in this segment the best tended firm to marginally dearer while the remainder went the same way as the leaf, easing by ₹5/8 and more. The plainest Dusts also faced withdrawals. While the major blenders remained fairly active, all other sections including the exporters and the internal were selective.

In the Orthodox sale while well made teas tended to be dearer, the remainder was marginally lower. In the OR Dust sale while primary BOPDs were lower, secondaries and fibrous sorts eased fairly sharply.

Seasonal conditions with a good mix of sun and cloud and some scattered drizzles. Plenty of crop on the bushes and a dearth of workers to ensure that the leaf is plucked and ends up in the factories. That this will adversely impact the quality going forward, is a given.

Indonesia

Fair demand at irregular levels following quality for the 10.2K packages on offer. Java Orthodox Broken and Fannings shed about USC3/8 from last levels while Fannings gained as much. Dusts were firm to marginally dearer. All grades of CTC ex Java were up and down around USC10 with the smaller grades tending firm to somewhat dearer. Sumatra Broken eased by USC5 while BOPFs appreciated by as much. Dusts gained a couple of Cents above last week's prices.

Java reported bright and sunny mornings followed by some thunderstorms and showers later in the evenings. Sumatra almost similar conditions. Conducive for growth.

Kenya

While irregular, demand was good for the 8.71 KMT on offer, 12.11% of the offerings remained unsold. Prices for the BP1s were all over the place with all qualities swinging USC15/20 either way. While the bulk of the PF1s and PDs went the same way, only the plainer types tended about firm to USC6 below previous levels. Amongst the Dusts, the best tended marginally dearer while the others went the same way as the other grades. The Secondary catalogue had a better run with BPs steady and PFs dearer, clean well sorted colour Fannings were firm while Dusts held value. All readily absorbed.

Yemen and other Middle Eastern countries lent useful support with a good level of interest from UK, Sudan, Russia and Iran. Pakistan and Afghanistan maintained the usual level of interest while Egypt was circumspect. Somalia maintained activity at the lower end of the market.

Areas west of the Rift, experienced warm days followed by cloudy and at times very wet afternoons. Similar conditions with a little more precipitation in areas east of the Rift. Crop intakes are reported to be improving.

Malawi

7.1K packages on offer met good though selective demand at irregular rates in line with quality. While BP1s tended somewhat easier, well made PF1 were firm while balance were as much as USC10 easier. PDs and Dusts went much the same way with prices fluctuating within a narrow band of about USC5 either way. Secondary teas were firm to marginally up on last.



Partly cloudy, warm to hot but slowly getting cold and overcast. Crop intakes are on a seasonal decline with pruning operations underway.

Sri Lanka

The 6.2 KMT on offer met good demand. Amongst the High and Mid Growns, BOPs where quality was maintained were firm and up to Rs10 dearer while plainer sorts were firm. BOPFs went much the same way with the good and mediocre tending somewhat dearer while poor leaf types went the other way tending marginally easier. No change in the Low Growns which continued to be generally firm to dearer. There was good demand from shippers to CIS, Iraq, Turkey, Kuwait, Syria, Saudi Arabia and Dubai.

Across the Island the conditions have been generally bright and dry with warm nights with only Nuwara Eliya region reporting a drop in temperature at night. Low Growns areas experienced the same conditions. Crop intakes, while continuing to be low, are being maintained

