

TEA MARKET REPORT

Week Ending
26th March 2017

Just a matter of time before the First Flush teas from Assam and Dooars start featuring in the weekly sale catalogues. Following on from the rains in Assam, Darjeeling having also been at the receiving end of some useful and much awaited precipitation, the First Flush is beginning to look a lot more promising. In south India bright sunshine following on from the very useful rains has given a huge boost to the crop. That this would have a detrimental effect on the quality is an unfortunate given. Sri Lanka continues on its merry way with no let-up in the demand which keeps pushing prices northward. Leaves one always asking the question 'where is the peak' but never getting an answer. A somewhat easier market prevailed in Indonesia resulting in a lower off take of 81%. Vietnam, at the start of the new season, is seeing a healthy level of demand which for now, for the minimal quantities being produced, is ensuring prices remain firm.

Demand in the Mombasa auction was all over the place. A clear division resulted in very good demand and off take for certain grades while others languished. This despite the fact that auction quantities are lower by at least 30k packages on a week to week basis in comparison to the previous season. While volumes are picking up, the to date deficit is a substantial 450k packages. Malawi has been reporting continuing conducive weather conditions so that crop intakes remain healthy. That, coupled with a firm market, for the producers adds up to an overall healthy situation.

With more teas flooding into the supply chain, which is normal for the time of year, the question remains whether the current healthy level of demand would continue to keep the markets buoyant. Crystal ball, anyone?

Argentina

Continued favourable conditions on the ground. Crop intakes, even though it is rather late in the season there, remain healthy.

India – North

While a very limited volume of 26K+ packages of CTC Leaf on offer, considering the time of year, just the fact that there has been a sale is in itself surprising. What is even more surprising is the fact that these end of season teas met with generally good demand. Bulk of the offerings, both Assams and Dooars, sold at irregular levels in line with quality. Likewise the 4K+ packages of CTC Dust also met a similar level of demand, selling readily in line with quality. The market was supported mainly by the domestic trade with very little participation from any other quarter.

In a similar vein the almost 10K packages of Orthodox Teas came up against good demand with the end of season, low quality offerings selling in line with quality.

While the weather in Assam continues to be favourably seasonal, Darjeeling having received some good rainfall, conditions there are also adding up to the likelihood of a good First Flush.

India – South

Another week of strong demand for the CTC Leaf with the few available good liquoring varieties tending fully firm to occasionally dearer. While the medium types were generally easier by ₹2/3, the



plainer teas maintained their last sold levels. CTC Dusts went the other way coming up against fair though selective demand so that all sorts were generally lower by ₹2/5. While the major blenders were active, the market also saw fair support from the exporters. The internal segment was selective.

In the Orthodox segment, the few and far between well made teas were generally dearer while the stalkier kinds tended marginally lower.

Following on from the heavy downpours of the previous week, this week was somewhat staid with some scattered rainfall being reported from different areas. With the sun coming out after the showers, the bushes are literally jumping out of their skins. Heavy flush across the region. Whether or not the rush of crop, when it hits the market, would affect prices, is to be seen.

Indonesia

Fair demand following quality for the 14K+ packages on offer. Amongst the Java Orthodox, Broken saw a demand deficit, leading to withdrawals, Fannings on the other hand appreciated as much as USC15 above last levels. Java CTCs were a mixed bag with the PF1/PDs appreciating USC6 with the mediums of the grade shedding as much. Sumatra teas across the board had a decent run with most teas appreciating by varying degrees by as much as USC6 above last levels. Here too the mediums declined by as much.

The weather in Indonesia isn't changing, Java remains very wet while Sumatra continues to receive daily rains. On the downside, the crop intakes as well as the quality is taking a beating due to a lack of sunshine.

Kenya

Good though somewhat erratic demand leading to an improved off take for the 7.08KMT on offer, leaving a fairly acceptable 8.48% of the offerings unsold. The BP1s came up against a rather irregular market so that while the bulk of the offerings were discounted, the plainer sorts tended dearer while the poorest of the grade shed considerably. Amongst the PF1s, the medium types were well competed for, gaining as much as USC12. While the best PDs move northward, lesser teas of the grade went the other way. Dusts, on the other hand, appreciated almost across the board, though as may be expected, some lines went the other way. In the Secondary catalogue BPs were steady while PFs and Dusts gained appreciably.

After a couple of somewhat quiet weeks Pakistan was once again dominant, well supported by Yemen, other Middle Eastern countries, Russia and Sudan. Iran and UK while active, were also selective. Afghanistan operated at lower levels while Egypt and the CIS nations took somewhat of a back seat. Somalia continued active at the lower end of the market.

Areas west of the Rift reported generally warm sunny conditions interspersed with some scattered rainfall. Areas to the east too reported somewhat similar weather with crop intakes continuing to be low.

Malawi

Continuing good demand, though at irregular rates for the 5.4K+ packages on offer. While BP1s were a weak feature, seeing some withdrawals, PF1s were well supported tending firm to as much as USC20 dearer. PFs and PDs were firm to dearer. Secondaries eased marginally on last.



The weather has been reported as being cloudy and overcast with some good precipitation being recorded. Crop intakes remain high.

Sri Lanka

The moderate volume of 5.3+ KMT on offer once again met good demand. While the best Western BOPs declined from the high-prices of the previous sale, lesser teas and Nuwara Eliyas were firm to Rs10/20 dearer. BOPFs were more irregular with the best, including Nuwara Eliyas, heading southward while teas in the below best and plainer categories were mostly firm. No change in the market for the Low Grows which once again saw a strong market and again recorded a northward trend.

There was good demand from shippers to the CIS, Turkey, Dubai, Saudi Arabia, Iraq and Kuwait.

While the High Grown areas including Nuwara Eliya reported dry weather conditions and cold nights, the Low Grows which were also mostly dry, did receive some scattered evening showers. Crop intakes are on the up.

