



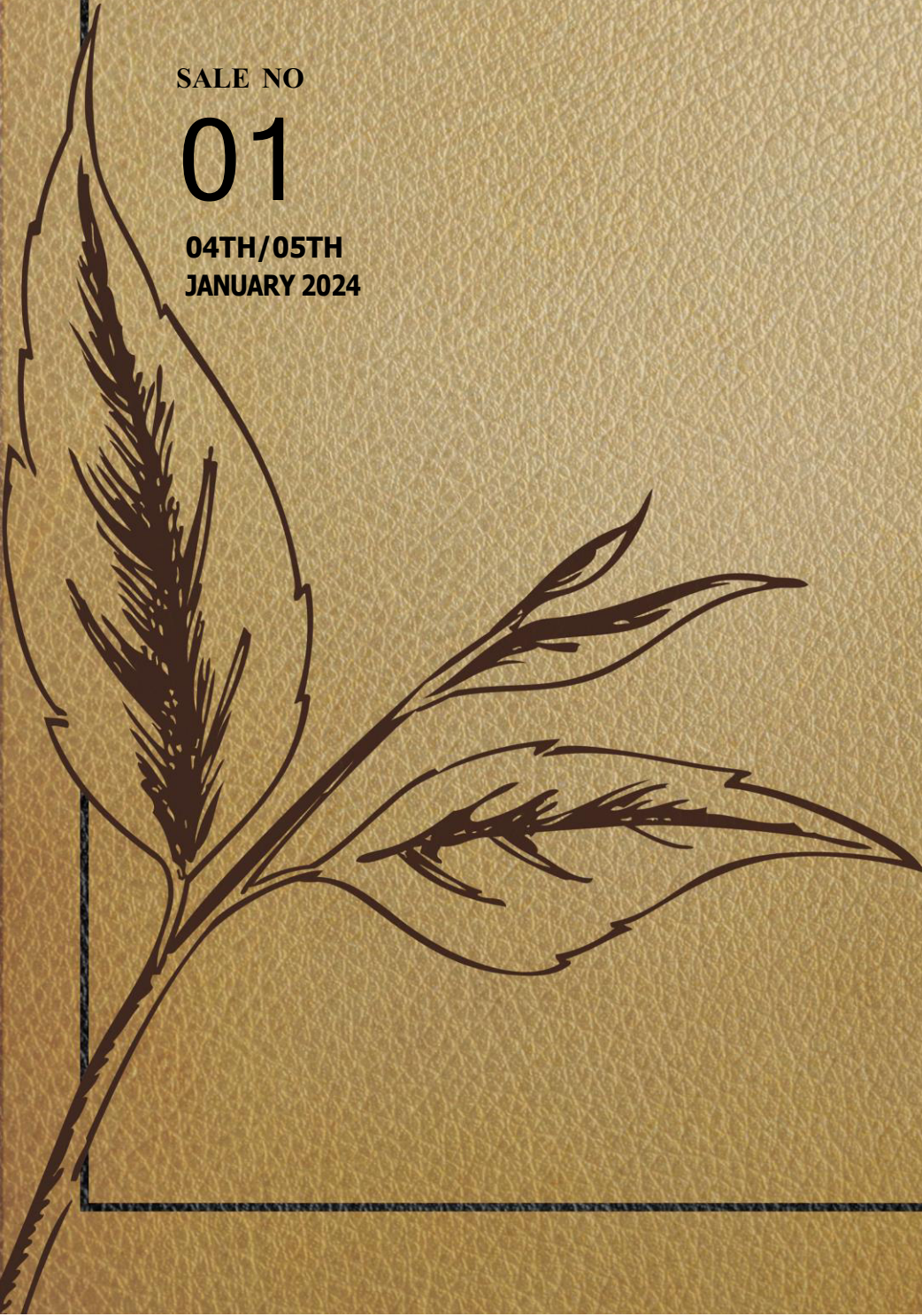
FORBES & WALKER TEA BROKERS PVT LTD

WEEKLY TEA MARKET REPORT

SALE NO

01

04TH/05TH
JANUARY 2024



**Tea Industry Review of Performance
2023 and Outlook for 2024
is attached at the end of this report.**

Overall Market

	QTY (M/KGS)	DEMAND
Ex Estate	0.74	Good
High and Medium	0.64	Fair
Leafy	0.68	Fair
Semi Leafy	0.58	Fair
Tippy/Small Leaf	0.78	Good
Premium Flowery	0.07	Fair
Off Grade	1.03	Firm to easier
Dust	0.53	Irregularly lower
Total	5.06	Fair

ORDER OF SALE

SALE NO : 1
04TH/05TH JANUARY 2024

EX-ESTATE	LG LARGE LEAF LG SMALL LEAF/BOPI/ PREMIUM	HIGH & MEDIUM/OFFGRADE /DUST
Eastern Brokers Ltd	Mercantile Produce Brokers (Pvt) Ltd	John Keells PLC
Asia Siyaka Commodities PLC	Forbes & Walker Tea Brokers (Pvt) Ltd	Eastern Brokers Ltd
Forbes & Walker Tea Brokers (Pvt) Ltd	Bartleet Produce Marketing (Pvt) Ltd	Forbes & Walker Tea Brokers (Pvt) Ltd
Lanka Commodity Brokers (Pvt) Ltd	Eastern Brokers Ltd	Mercantile Produce Brokers (Pvt) Ltd
Ceylon Tea Brokers PLC	Ceylon Tea Brokers PLC	Lanka Commodity Brokers (Pvt) Ltd
Bartleet Produce Marketing (Pvt) Ltd	John Keells PLC	Asia Siyaka Commodities PLC
John Keells PLC	Asia Siyaka Commodities PLC	Bartleet Produce Marketing (Pvt) Ltd
Mercantile Produce Brokers (Pvt) Ltd	Lanka Commodity Brokers (Pvt) Ltd	Ceylon Tea Brokers PLC

AUCTION DETAILS

AT THIS WEEK’S SALE 10,498 LOTS TOTALLING 5,141,180 KGS WERE ON OFFER. THE BREAKDOWN IS AS FOLLOWS:

	LOTS	QUANTITY
Ex Estate	696	728,082
Main Sale - High & Medium	1,480	643,081
Low Grown - Leafy	1,929	708,644
Low Grown - Semi Leafy	1,385	586,355
Low Grown - Tippy	1,773	822,143
Premium Flowery	396	62,352
Off Grades	2,311	1,124,087
Dust	528	466,436
Total	10,498	5,141,180
Re - Prints	510	233,470

SETTLEMENT DATES

05/01/2024 11/01/2024 12/01/2024
10% Payment Buyers Prompt Sellers Prompt

Quality

Overall, quality showed no significant change.

COMMENTS

The first sale of the year was re-scheduled on account of the uncertainties on the implications of Value Added Tax (VAT) on tea and conducted today. Notwithstanding these uncertainties, there was good demand perhaps due to the absence of an auction last week and in anticipation of lower volumes on account of the prevalent climatic conditions.

Auction offerings totalled 5.14 M/Kgs of which Ex-Estate offerings comprised of 0.72 M/Kgs. Overall quality of teas showed no significant change.

Best Western BOP/BOPF's - Select invoices sold around last week's levels, whilst the others were irregular following quality. In the Below Best category, BOP's - few select invoices continued to sell around last, whilst the others declined by Rs. 50-100 per kg and more. Corresponding BOPF's - teas in the higher price bracket sold around last week's levels, whilst the others were firm and irregularly easier. At the lower end, prices were mostly firm. Nuwara Eliya BOP's had hardly any offerings, whilst the corresponding BOPF's continued to sell well. Uda Pussellawa BOP's were firm and tended dearer, whilst the corresponding BOPF's were up to Rs. 50 per kg dearer. Uva BOP's were barely steady, whilst the corresponding BOPF's sold around last.

High & Mid Grown CTC teas continued to sell around last with select invoices appreciating up to Rs. 50 per kg. Corresponding Low Grown - BP1's continued to be a strong feature with select invoices appreciating substantially, whilst the PF1's were firm and up to Rs. 50 per kg dearer.

There was limited activity from shippers to the UK, the continent and South Africa, whilst there was improved activity from shippers to Japan and the CIS on a wide cross-section of offerings.

Low Grown comprised of 2.12 M/Kgs and in general, met with good demand.

In the Leafy catalogues, Select Best OP1's were firm, whilst the balance appreciated. However, the teas at the bottom sold around last levels. BOP1's together with the OP's, in general, were dearer. Well-made OPA's too appreciated, whilst the balance were firm. Well-made PEK's sold around last levels, whilst the balance appreciated. Select Best and Best PEK1's were firm, whilst the others declined.

In the Tippy catalogues, well-made FBOP's were firm to dearer, whilst the balance appreciated. FF1's, in general, were dearer.

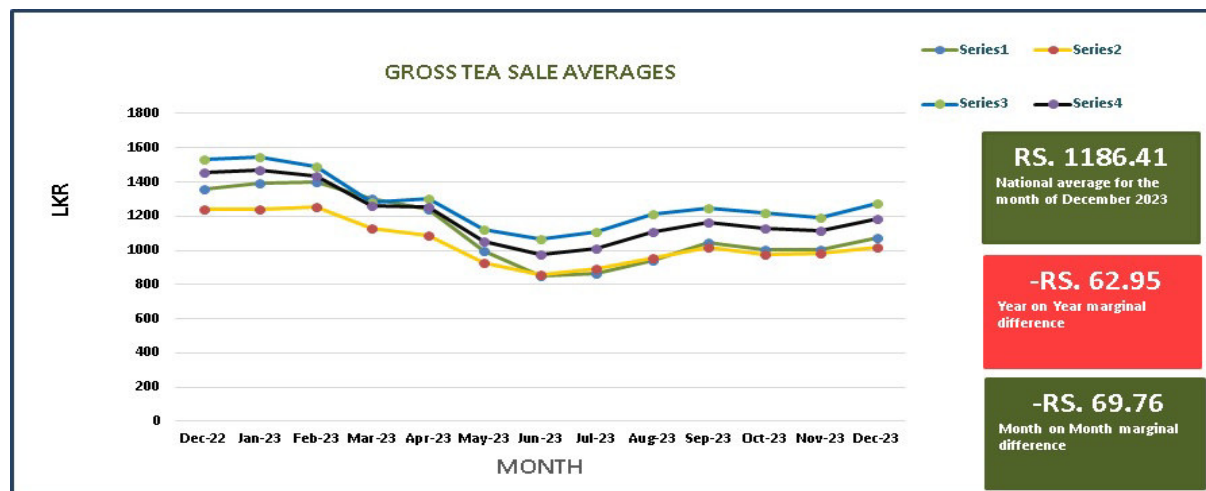
In the Premium catalogues, very Tippy teas were irregular, whilst the Best and clean leaf Below Best sold around last levels. Balance were easier.

NOTE

Next week's Auction (Sale No. 2) is scheduled for Wednesday, 10 and Thursday, 11 January 2024



NATIONAL TEA SALES AVERAGES (DECEMBER 2023)



Key Highlights:

- * Total Elevation Average appreciates by Rs. 69.76 in comparison with previous month.
- * Cumulative variance widens to Rs. 62.95 (USD 0.25) against end December 2022.
- * All Elevations record gains in both LKR and USD terms against November 2023 and negative variances against the corresponding month of 2022.
- * National tea sales average for the month of December 2023 recorded Rs. 1,186.41 (USD 3.64) recording an increase of Rs. 69.76 and USD 0.22 against the month of November 2023 average of Rs. 1,116.65 (USD 3.42).
- * In comparison to the December 2022 average of Rs. 1,454.24 (USD 4.00), shows a decrease of Rs. 267.83 and USD 0.35 YOY.

Elevation-Wise Analysis -December 2023:

- * High Grown average for the month recorded an increase of Rs. 67.09 and USD 0.21 month on month, whilst a decrease of Rs. 287.81 and USD 0.45 is recorded YOY.
- * Medium Grown average for the month recorded a gain of Rs. 35.05 and USD 0.12 month on month, whilst in comparison to the corresponding month last year shows a decrease of Rs. 218.83 and USD 0.27 YOY.
- * Low Grown average for the month recorded a positive variance of Rs. 87.18 and USD 0.28 month on month, whilst a decrease of Rs. 256.19 and USD 0.29 is recorded YOY.
- * All elevations witnessed a decline during the period January-December 2023 in comparison to the corresponding period of 2022 both in LKR and USD terms.

****PLEASE NOTE:** USD RATE OF DECEMBER 2023 HAS BEEN CALCULATED AS AT 22ND DECEMBER 2023 BASED ON THE SLTB DECLARATION OF NATIONAL TEA SALE AVERAGES AS AT THE SAME DATE.

In Sri Lankan Rupees								
	23-Dec	23-Nov	MOM Variance	22-Dec	YOY Variance	To date 2023	To date 2022	YOY Variance
High Grown	1,071.97	1,004.88	67.09	1359.78	-287.81	1072.48	1093.10	-20.62
Medium Grown	1,019.03	983.98	35.05	1237.86	-218.83	1012.35	1030.82	-18.47
Low Grown	1,278.08	1,190.90	87.18	1534.27	-256.19	1252.15	1339.86	-87.71
Total	1,186.41	1,116.65	69.76	1454.24	-267.83	1171.29	1234.24	-62.95

In U.S. Dollars								
	23-Dec	23-Nov	MOM Variance	22-Dec	YOY Variance	To date 2023	To date 2022	YOY Variance
High Grown	3.29	3.08	0.21	3.74	-0.45	3.28	3.40	-0.11
Medium Grown	3.13	3.01	0.12	3.40	-0.27	3.10	3.20	-0.10
Low Grown	3.92	3.65	0.28	4.22	-0.29	3.83	4.16	-0.33
Total	3.64	3.42	0.22	4.00	-0.35	3.58	3.83	-0.25

Source - Sri Lanka Tea Board (For statistical purposes only)

CROP AND WEATHER

FOR THE PERIOD 26TH DECEMBER 2023 - 01ST JANUARY 2024

Western/Nuwara Eliya Regions



The Western Region reported gloomy mornings and evening showers, whilst the Nuwara Eliya Region reported showers throughout the week. The Department of Meteorology expects misty mornings in the Nuwara Eliya Region and misty morning together with heavy showers in the Western Region in the week ahead.

Uva/Udapussellawa Region



Overcast mornings and evening showers were reported in both regions throughout the week. Heavy showers are expected in the Uva Region in the week ahead, according to the Department of Meteorology.

Low Grown



Gloomy mornings and evening showers were reported in the Low Grown Region throughout the week. The Department of Meteorology expects misty mornings and heavy showers in the Sabaragamuwa Region in the week ahead.

Crop

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



F



HIGH GROWN TEAS

■ Incline from last week
■ Decline from last week
■ Static Market

BOP

Best Western's - Select invoices sold around last week's levels, whilst the others were irregular following quality. In the Below Best category, few select invoices continued to sell around last, whilst the others declined by Rs. 50-100 per kg and more. At the lower end, prices were generally firm. Nuwara Eliya's had hardly any offerings. Uda Pussellawa's were firm and tended dearer. Uva's were barely steady.

BOPF

Best Western's - Select invoices were firm, whilst the others were irregular following quality. In the Below Best category, teas in the higher price bracket sold around last week's levels, whilst the others were firm and irregularly easier. Teas at the lower end were irregular and barely steady. Nuwara Eliya's - limited availability sold well. Uda Pussellawa's were firm and up to Rs. 50 per kg dearer selectively. Uva's sold around last.

OP/OPA

Well-made OP's, in general, were dearer by Rs. 100 per kg and more at times, whilst the others at the lower end were firm on last. OPA's, in general, were firm to easier by Rs. 50 per kg.

PEKOE/FBOP

A limited selection of flavoury PEK's that were available were irregularly easier. Orthodox Leafy PEK/PEK1's, in general, were firm on last. Best Rotovane PEK's were firm, while the others were irregular and mostly sold around last levels.

FBOP/FBOPF1

A limited selection of well-made flavoury FBOP's were irregularly dearer following quality. Well-made Orthodox Leafy FBOP/FF1's together with the clean leaf Below Best sorts were firm to dearer by Rs. 50-100 per kg, whilst the others at the lower end too were irregular following quality.

QUOTATIONS LKR SALE DTE	BOP		BOPF		PEKOE/FBOP		OP	
	18/19 Dec	04/05 Jan	18/19 Dec	04/05 Jan	18/19 Dec	04/05 Jan	18/19 Dec	04/05 Jan
Best Westerns	1260-1460	1200 - 1380	1260-1360	1220 - 1360	1220-1700	1300 - 1750	1100-1300	1140 - 1550
Below Best Westerns	1100-1240	1080 - 1180	1140-1240	1120 - 1180	980 - 1200	1060 - 1280	1000-1080	1080 - 1120
Plainer Westerns	920 - 1080	900 - 1040	900 - 1120	940 - 1100	760 - 960	780 - 1040	760 - 980	780 - 1060
Nuwara Eliyas	N/A	1500 -	N/A	1360 - 1440	960 - 1550	1020 - 1600	N/A	N/A
Brighter Udapussellawas	1140	1160 - 1240	980 - 1000	1040 - 1160	1300-1750	1380 - 1750	1100-1440	1180 - 1360
Other Udapussellawas	960-1060	960 - 1020	890 - 940	870 - 1000	760 - 1280	800 - 1360	740 - 1080	780 - 1160
Best Uvas	1160-1260	1100 - 1120	1080-1220	980 - 1040	1280-1700	1320 - 1750	1120-1480	1180 - 1500
Other Uvas	1020-1100	980 - 1000	980-1040	N/A	760-1260	780 - 1300	780-1140	800 - 1160

MEDIUM GROWN TEAS

■ Incline from last week
■ Decline from last week
■ Static Market

BOP	Leafy varieties were Rs. 50-100 per kg dearer, whilst the others were generally firm.
BOPF	Better sorts were firm, whilst the others were firm and tended dearer.
OP/OPA	Well-made OP's, in general, were dearer by Rs. 100 per kg and more at times, whilst the others at the lower end were firm on last. OPA's, in general, were firm to easier by Rs. 50 per kg.
PEKOE/FBOP	PEK/PEK1's, in general, were firm on last.
FBOP/FBOPF1	Well-made FBOP/FF1's were firm to dearer by Rs. 50 per kg and more as the sale progressed. Teas at the lower end were irregular following quality.

QUOTATIONS LKR SALE DTE	BOP		BOPF		PEKOE/FBOP		OP	
	18/19 Dec	04/05 Jan	18/19 Dec	04/05 Jan	18/19 Dec	04/05 Jan	18/19 Dec	04/05 Jan
Good Mediums	1060-1800	1080 - 1850	1000-1020	1000 - 1020	1380-2050	1440 - 2100	1120-1440	1200 - 1650
Other Mediums	700-1040	700 - 1060	770 - 850	830 - 920	740-1360	780 - 1420	760-1100	800 - 1180

UNORTHODOX / CTC TEAS

HIGH GROWN	BP1s - Sold well. PF1s - Firm and up to Rs. 50 per kg dearer.
MEDIUM GROWN	BP1s - Irregularly firm. PF1s - Irregular and mostly firm to marginally dearer.
LOW GROWN	BP1s - Select invoices were substantially dearer, whilst the others too continued to sell well. PF1s - Select high priced teas tended easier, whilst the others gained by Rs. 50 per kg and more.

QUOTATIONS LKR SALE DTE	BP1		PF1	
	18/19 Dec	04/05 Jan	18/19 Dec	04/05 Jan
High Grown	1000	1220 - 1280	900-1160	980 - 1180
Medium Grown	1000-1220	980 - 1300	830-1120	860 - 1120
Low Grown	1260-1650	1280 - 1700	1160-1750	1200 - 1650

OFF GRADES

■	Incline from last week
■	Decline from last week
■	Static Market

FGS1/FGS

A few coloury invoices in the Select Best category were firm to Rs. 25-50 per kg lower, whilst the others declined by Rs. 60-80 per kg and more. Below Best varieties, in general, were irregularly lower. Teas at the bottom end of the market maintained. Low Grown - Clean leaf varieties were firm to dearer, whilst the balance maintained. Low Grown CTC's - Clean leaf invoices, in general, were firm to easier by Rs. 10-20 per kg, whilst the balance declined substantially. High Grown CTC's - Maintained.

BROKENS

Select clean leaf invoices were substantially dearer, whilst the balance were dearer by Rs. 25-50 per kg. Below Best varieties were dearer by Rs. 10-30 per kg, whilst the poorer sorts were irregularly lower.

BOP1A

Best varieties, in general, were firm to dearer by Rs. 20-30 per kg and more following quality. Below Best varieties were firm around last week's levels. Teas at the bottom end of the market, in general, were firm to easier by Rs. 10-20 per kg.

QUOTATIONS LKR

SALE DTE	HIGH		MEDIUM		LOW	
	18/19 Dec	04/05 Jan	18/19 Dec	04/05 Jan	18/19 Dec	04/05 Jan
Better Fannings (Orthodox)	760-1120	740 - 1060	760 - 840	760 - 900	740 - 940	740 - - 920
Better Fannings (CTC)	860	810 - 860	710 - 750	N/A	740-1360	750 - 1320
Other Fannings (Orthodox)	600 - 760	570 - 730	610 - 770	570 - 750	600 - 740	570 - 720
Other Fannings (CTC)	N/A	N/A	N/A	660 -	680 - 710	700 - 730
Good Brokens	730 - 980	740 - 1280	730-1200	750 - 1280	720-1360	740 - 1440
Other Brokens	690 - 710	700 - 720	700 - 720	730 - 740	670 - 700	620 - 720
Better BOP1As	780 - 980	780 - 950	780-1140	770 - 1150	800-1400	800 - - 1450
Other BOP1As	720 - 740	710 - 750	710 - 750	700 - 750	690 - 740	700 - 760

DUSTS

DUST1

Select Best Dust1's met with substantially lower demand, which resulted in most of the teas being unsold. The Best Dust1's which commenced firm on last week's levels, declined by Rs. 20-40 per kg towards the latter part of the sale. Teas in the Below Best category together with the poorer sorts were firm to dearer by Rs. 20-40 per kg. Low Grown - Best varieties were dearer by Rs. 40-60 per kg. The Below Best varieties together with the poorer sorts were firm around last week's levels. Best High & Medium Grown CTC's were firm to easier by Rs. 20-40 per kg, whilst the Below Best varieties together with the poorer sorts too followed a similar trend. Low Grown varieties were firm on last week's levels.

DUST

Clean leaf secondaries were firm to dearer by Rs. 20-40 per kg, whilst the poorer sorts were firm on last week's levels. The Best Low Grown types appreciated by Rs. 30-50 per kg, whilst the poorer sorts were firm to dearer by Rs. 20-40 per kg.

QUOTATIONS LKR

SALE DTE	HIGH		MEDIUM		LOW	
	18/19 Dec	04/05 Jan	18/19 Dec	04/05 Jan	18/19 Dec	04/05 Jan
Better Primary Dust (Orthodox)	1100-2750	950 - 1340	880-1060	860 - 1040	820 - 940	850 - 1000
Better Primary Dust (CTC) P. Dust	1000-1100	1000 - 1040	960-1120	980 - 1120	1040-1280	1050 - 1300
Below Best Primary Dust (Orthodox)	900-1080	860 - 950	750 - 870	760 - 850	730 - 800	740 - 840
Other Primary Dust (CTC) P. Dust	900 - 980	950 - 1000	710 - 950	740 - 960	800-1000	810 - 1020
Other Primary Dust (Orthodox)	700 - 880	670 - 850	630 - 740	700 - 750	580 - 720	650 - 730
Better Secondary Dust	900-1100	920 - 1140	800 - 900	750 - 800	850-1060	900 - 1180
Other Secondary Dust	640 - 860	630 - 900	630 - 780	580 - 720	660 - 840	650 - 880

LOW GROWN TEAS

■ Incline from last week
■ Decline from last week
■ Static Market

FBOP/FBOP1	Well-made FBOP's were firm to dearer, whilst the balance appreciated. FBOP1's, in general, were firm to dearer.
BOP	BOP's, in general, appreciated.
BOP1	BOP1's, in general, were firm to selectively dearer.
OP1	Select Best OP1's were firm, whilst the Best and Below Best appreciated. Poorer sorts sold around last levels.
OP	OP's, in general, appreciated.
OPA	Well-made OPA's appreciated, whilst the balance were firm.
PEKOE	Well-made PEK's were firm, whilst the balance appreciated. Select Best and Best PEK1's were firm, whilst the balance eased.
BOPF	Well-made BOPF's were firm, whilst the clean leaf Below Best and clean leaf teas at the bottom were firm to dearer. Balance were irregular following quality.
FBOPF/FBOPF1	Very Tippy teas were irregular, whilst the Best and clean leaf Below Best sold around last levels. Balance were easier. FF1's, in general, were dearer.

QUOTATIONS LKR SALE DTE	SELECT BEST		BEST		BELOW BEST		OTHERS	
	18/19 Dec	04/05 Jan	18/19 Dec	04/05 Jan	18/19 Dec	04/05 Jan	18/19 Dec	04/05 Jan
FBOP 1	1800-2000	1800 - 2000	1450-1550	1450 - 1500	1150-1250	1200 - 1300	850-900	900 - 950
FBOP	2300-2600	2300 - 2600	1600-1700	1650 - 1750	1400-1450	1450 - 1500	1000-1050	1050 - 1100
BOP 1	2400-4550	2450 - 4600	1850-2350	1950 - 2400	1200-1800	1300 - 1900	850-1180	850 - 1280
BOP	1950-2000	1950 - 2000	1450-1600	1450 - 1600	1200-1300	1250 - 1350	950-1000	1000 - 1050
BOPF	1450-1800	1450 - 1800	950-1000	950 - 1000	750-800	750 - 800	700-750	700 - 750
FBOPF (TIPPY)/FBOPF SP	5000-6500	5000 - 6000	3000-4000	3000 - 4000	2000-2500	2000 - 2200	1100-1400	1100 - 1300
FBOPF 1	1650-1850	1700 - 1900	1600-1700	1650 - 1750	1300-1450	1350 - 1500	1000-1100	1100 - 1150
FBOPF	1900-2300	1900 - 2300	1400-1500	1400 - 1500	1200-1300	1200 - 1300	1000-1100	1000 - 1100
OP 1	3500-4150	3700 - 4200	2550-3450	2650 - 3650	1550-2500	1600 - 2600	800-1500	800 - 1550
OP	1460-1750	1500 - 1800	1400-1440	1420 - 1480	1280-1380	1300 - 1400	900-1260	900 - 1280
OPA	1340-1850	1400 - 2450	1160-1320	1200 - 1380	1100-1140	1100 - 1180	800-1080	800 - 1080
PEKOE	1440-2250	1600 - 2150	1260-1420	1360 - 1550	1100-1240	1100 - 1340	850-1080	850 - 1080
PEK 1	1460-2200	1650 - 2250	1380-1440	1380 - 1600	1180-1360	1180 - 1360	860-1100	860 - 1160

TOP PRICE

WESTERN MEDIUM			
Craighead	BOP	@	1850
Doombagastalawa	BOP	@	1700
Galgewatta	BOP		1700
Kenilworth	BOP		1700
Hatale	BOPSp		1800
Ancoombra	BOPF/BOPFSp		1400
Windsorforest	BOPF/BOPFSp	@	1360
Harangalla	BOP1	@	2000
Hatale	FBOP/FBOP1		2100
Ancoombra	FBOPF/FBOPF1		1850
Meezan	FBOPF/FBOPF1		1850
Harangalla	FBOPF/FBOPF1		1850
Dartry Valley	FBOPF/FBOPF1	@	1800
Hatale	FBOPF/FBOPF1		1800
Mossville	FBOPF/FBOPF1		1800
Craighead	OP/OPA	@	1650
Craighead	OP1	@	1700
Kenilworth	PEK/PEK1		1850
Uplands	PEK/PEK1		1850
Dartry Valley	PEK/PEK1	@	1800
Harangalla	PEK/PEK1	@	1800
WESTERN HIGH			
Bearwell	BOP		1380
Wattegodde	BOP		1380
Tillyrie	BOP	@	1360
Ingestre	BOP	@	1360
Robgill	BOP	@	1360
Alton	BOP	@	1340
Norwood	BOP		1340
Bearwell	BOPSp		1400
Somerset	BOPF/BOPFSp		1380
Venture	BOP1		1700
Bambrakelly	BOP1	@	1600
Bogahawatte	FBOP/FBOP1		1600
Torrington	FBOP/FBOP1	@	1550
Glenloch	FBOPF/FBOPF1	@	1700
Bambrakelly	FBOPF/FBOPF1	@	1650
Bambrakelly	OP/OPA	@	1550
St. Andrews	OP/OPA		1550
Inverness	OP1		1850
Bambrakelly	OP1	@	1700
Bambrakelly	PEK/PEK1	@	1750
Torrington	PEK/PEK1	@	1700
Bogahawatte	PEK/PEK1		1700
NUWARA ELIYAS			
Lovers Leap	BOP		1500
Lovers Leap	BOPF/BOPFSp		1440
Mahagastotte	BOPF/BOPFSp	@	1360

NUWARA ELIYAS			
Court Lodge	FBOP/FBOP1	@	1600
Kenmare	FBOP/FBOP1	@	1340
Court Lodge	OP/OPA	@	980
Court Lodge	PEK/PEK1	@	1220
UDAPUSSELLAWAS			
Mooloya	BOP		1240
Luckyland	BOPSp		1100
Kirklees	BOPF/BOPFSp		1160
Alma	FBOP/FBOP1		1750
Delmar	FBOP/FBOP1	@	1480
Blairlmond	FBOPF/FBOPF1	@	1650
Delmar	FBOPF/FBOPF1	@	1550
Gonapitiya	FBOPF/FBOPF1		1550
Alma	FBOPF/FBOPF1		1550
Alma	OP/OPA		1360
Blairlmond	OP/OPA	@	1280
Alma	OP1		1500
Alma	PEK/PEK1		1700
Blairlmond	PEK/PEK1	@	1600
LOW GROWNS			
Hidellana	BOP	@	2200
Stream Line	BOPSp		2050
Hidellana	BOPF		2100
Sithaka	BOPF		1900
Pothotuwa	BOPF	@	1750
Thundola Ella	BOPFSp		1850
Wattahena	BOPFSp		1850
Pothotuwa	FBOP	@	2700
Sithaka	FBOP		2600
Hidellana	FBOP	@	2450
Ceciliyan	FBOP1		2200
Karawita	FBOPF		2450
New Nivithigala	FBOPF		2450
Miriswatta	FBOPF1		2100
Adams View	FBOPF1	@	2050
Pothotuwa	FBOPF1	@	2000
Arbour Valley	FBOPF1		2000
Bogoda	FBOPF1		2000
Lumbini	FBOPF1		2000
Pothotuwa	BOP1	@ *	4600
New Vithanakande	OP1		4200
Sithaka	OP1		4200
Pothotuwa	OP1	@	4150
Galatara	OP		1800
Green Lanka	OPA		2450
Lumbini	PEK		2150
Galatara	PEK1		2250

@ - SOLD BY FORBES & WALKER TEA BROKERS (PVT) LTD. ** - ALL TIME RECORD PRICE. * - EQUAL ALL TIME RECORD PRICE

UVA MEDIUM			
Halpewatta Uva	BOP		1750
Glen Alpin	BOPSp		1440
Demodera 'S'	BOPSp	@	1420
Dickwella	BOPF/BOPFSp		1650
Ury	BOP1		1700
Sarnia Plaiderie	BOP1	@	1600
Aruna Passara	FBOP/FBOP1		1750
High Spring	FBOPF/FBOPF1		1750
Demodera 'S'	FBOPF/FBOPF1		1750
Shawlands	OP/OPA	@	1480
Aruna Passara	OP1		1750
Halpewatta Uva	OP1		1460
Uva Samovar	OP1	@	1440
Misty-Uva	PEK/PEK1	@	1800
UVA HIGH			
Aislaby	BOP	@	1300
Uvakellie	BOP		1300
Nayabedde	BOP	@	1120
Bandaraeliya	BOP	@	1000
Kelliebedde	BOP	@	1000
Uva Highlands	BOPSp	@	1550
Craig	BOPSp		1550
Ranaya	BOPSp		1550
Spring Valley	BOPF/BOPFSp		1550
Uva Highlands	BOP1		1650
Craig	BOP1		1650
Aislaby	FBOP/FBOP1		1650
Gonamotawa	FBOP/FBOP1	@	1600
Glenanore	FBOP/FBOP1		1600
Uvakellie	FBOP/FBOP1		1600
Gonamotawa	FBOPF/FBOPF1	@	1650
Aislaby	FBOPF/FBOPF1		1650
Craig	FBOPF/FBOPF1		1650
Spring Valley	FBOPF/FBOPF1		1650
Mount Uva	FBOPF/FBOPF1		1650
Glenanore	FBOPF/FBOPF1	@	1600

UVA HIGH			
Oodoowerre	FBOPF/FBOPF1		1600
Spring Valley	OP/OPA		1500
Uva Highlands	OP1	@	1500
Glenanore	PEK/PEK1	@	1750
Craig	PEK/PEK1		1750
UNORTHODOX HIGH			
Dunsinane CTC	PF1	@	1180
Dunsinane CTC	BP1	@	1280
Dunsinane CTC	BPS		1400
UNORTHODOX MEDIUM			
New Peacock CTC	PF1		1140
New Peacock CTC	BP1	@	1300
Donside CTC	BPS		1320
UNORTHODOX LOW			
Hingalgoda CTC	PF1		1650
Ceciliyan CTC	BP1	@	1700
Ross Fled CTC	BPS		890
PREMIUM FLOWERY			
Mulatiyana Hills	FBOPFSp		6000
New Deniyaya	FBOPFExSp	@	6900
Kamarangapitiya	FBOPFExSp1	@	4550
DUSTS			
Lethenty	DUST1	@	1340
Dessford	DUST1		1340
Ceciliyan CTC	PD		1300
OFF GRADES			
Waltrim	FGS/FGS1		1060
Holyrood	FGS/FGS1	@	1040
Dessford	FGS/FGS1	@	1040
Mattakelle	FGS/FGS1		1040
Agraouvah	FGS/FGS1	@	1020
Hingalgoda CTC	PFGS		1320
Gunawardena	BM	@	1440
Chandrika Estate	BP		1440
Chandrika Estate	BOP1A	@	1480
Aldora	BOP1A	@	1420
Wanarajah	FGS/FGS1		1060
Alton	FGS/FGS1	@	1040

@ - SOLD BY FORBES & WALKER TEA BROKERS (PVT) LTD. ** - ALL TIME RECORD PRICE. * - EQUAL ALL TIME RECORD PRICE

QUANTITY SOLD

DURING THE PERIOD 18TH - 31ST DECEMBER 2023	WEEKLY (KGS)		TODATE (KGS)	
	2024	2023	2024	2023
PRIVATE SALES	229,866	47,828	5,387,348	3,992,235
PUBLIC AUCTION	4,500,368	4,558,637	237,390,759	237,065,036
FORWARD CONTRACTS	60,000	43,100	2,271,908	1,912,860
DIRECT SALES	NIL	NIL	NIL	NIL
TOTAL	4,790,234	4,649,565	245,050,015	242,970,131
BMF EXCLUDED FROM PRIVATE SALE	137,827	31,905	2,759,352	5,650,267

(QUANTITY SOLD AND THE AVERAGE PRICE PER AUCTION)

	Quantity (M/kgs)			AVG Price (LKR)			Avg Price (USD)		
	2023	2022	2021	2023	2022	2021	2023	2022	2021
13TH DECEMBER 2023	4.49	4.62	4.61	1198.39	1470.05	635.70	3.72	4.07	3.20
19TH DECEMBER 2023	4.50	4.55	4.59	1214.89	1478.47	640.27	3.77	4.09	3.23

Source: Central Bank of Sri Lanka / Buying Rates

RATES OF EXCHANGE

SRI LANKA RUPEE APPROX PER UNIT OF CURRENCY

YEAR	2023	2022	2021
USD	317.76	361.19	198.50
STG.PD	400.89	437.51	261.22
EURO	345.56	380.07	222.60
YEN	2.20	2.63	1.73

Source: Central Bank of Sri Lanka / Buying Rates

PUBLIC AUCTION/GROSS SALES AVERAGE

SALE NO 0 18TH/19TH DECEMBER 2023	WEEKLY(LKR)			TODATE (LKR)			WEEKLY(USD)			TODATE(USD)		
	2023	2022	2021	2023	2022	2021	2023	2022	2021	2023	2022	2021
Uva High Grown	1014.93	1223.67	576.04	982.21	1094.27	551.23	3.15	3.39	2.90	3.01	3.41	2.80
Western High Grown	1085.72	1485.90	649.13	1114.70	1124.87	607.67	3.37	4.11	3.27	3.41	3.51	3.09
CTC High Grown	1033.89	1212.18	576.00	1001.28	992.50	542.40	3.21	3.36	2.90	3.06	3.10	2.76
High Grown (Summary)	1064.00	1406.38	620.15	1072.86	1114.30	589.84	3.30	3.89	3.12	3.28	3.48	3.00
Uva Medium Grown	1064.98	1265.95	582.12	1028.12	1153.75	569.37	3.31	3.50	2.93	3.15	3.60	2.90
Western Medium Grown	995.32	1219.87	535.75	985.61	977.94	535.16	3.09	3.38	2.70	3.02	3.05	2.72
CTC Medium Grown	906.32	1076.74	495.06	913.59	841.78	497.26	2.82	2.98	2.49	2.80	2.63	2.53
Medium Grown (Summary)	1020.82	1236.26	553.33	999.17	1035.47	545.89	3.17	3.42	2.79	3.06	3.23	2.78
Orthodox Low Grown	1348.36	1591.93	683.26	1278.33	1379.30	655.27	4.19	4.41	3.44	3.91	4.30	3.33
CTC Low Grown	959.56	1079.98	519.91	973.82	954.52	504.04	2.98	2.99	2.62	2.98	2.98	2.56
Low Grown(Summary)	1330.30	1563.93	670.79	1261.01	1350.65	646.67	4.13	4.33	3.38	3.86	4.21	3.29
Total	1214.89	1478.47	640.27	1177.68	1250.24	617.82	3.77	4.09	3.23	3.60	3.90	3.14

Source: Oanda Exchange Rates
Source: MSL - Averages

PUBLIC AUCTION/GROSS SALES AVERAGE FOR THE MONTH OF DECEMBER

	MONTH(LKR)			TODATE (LKR)			MONTH(USD)			TODATE(USD)		
	2023	2022	2021	2023	2022	2021	2023	2022	2021	2023	2022	2021
Uva High Grown	1025.41	1221.18	579.25	992.66	1090.15	553.98	3.16	3.36	2.89	3.04	3.39	2.82
Western High Grown	1103.23	1474.01	653.90	1123.01	1129.22	611.84	3.40	4.05	3.26	3.44	3.51	3.11
CTC High Grown	1046.71	1199.89	559.29	1002.89	992.57	536.79	3.22	3.30	2.79	3.07	3.08	2.73
High Grown (Summary)	1071.97	1359.78	615.18	1072.48	1359.78	587.13	3.30	3.74	3.06	3.28	4.22	2.98
Uva Medium Grown	1065.10	1267.49	597.76	1024.70	1139.05	568.10	3.28	3.48	2.98	3.14	3.54	2.89
Western Medium Grown	993.12	1215.04	536.55	988.76	977.35	535.46	3.06	3.34	2.67	3.03	3.04	2.72
CTC Medium Grown	903.25	1088.38	492.77	909.77	836.82	496.82	2.78	2.99	2.45	2.79	2.60	2.53
Medium Grown (Summary)	1019.03	1237.86	568.49	1012.35	1030.82	550.80	3.14	3.40	2.83	3.10	3.20	2.80
Orthodox Low Grown	1311.05	1580.62	676.31	1281.26	1381.96	655.91	4.04	4.34	3.37	3.92	4.29	3.33
CTC Low Grown	961.82	1026.26	508.22	970.76	938.12	502.92	2.96	2.82	2.53	2.97	2.91	2.56
Low Grown(Summary)	1278.08	1534.27	662.24	1252.15	1339.86	644.23	3.93	4.22	3.30	3.83	4.16	3.27
Total	1186.41	1454.24	635.83	1171.29	1234.24	615.44	3.65	4.00	3.17	3.59	3.83	3.13

Source: Oanda Exchange Rates
Source: MSL - Averages

WORLD TEA PRODUCTION (M/KGS)

				TODATE			DIFFERENCE +/-	
	2021	2022	2023	2021	2022	2023	2021 vs 2022	2022 vs 2023
Nov								
Sri Lanka	20.1	20.4	19.6	278.9	232.1	236	-46.8	3.9
North India	104.1	114.2	106.2	1057.1	1084.6	1071.8	27.5	-12.8
South India	16.7	21.3	20.9	220	217.3	218.3	-2.7	1

				TODATE			DIFFERENCE +/-	
	2021	2022	2023	2021	2022	2023	2021 vs 2022	2022 vs 2023
Oct								
Kenya	48.9	50.6	52.8	434.6	430.3	465	-4.3	34.7
Bangladesh	14.6	11.4	14.6	79.3	75.2	83.6	-4.1	8.4

Sep								
Malawi	4	3.6	1.9	38.4	39.3	34.5	0.9	-4.8

DETAILS OF AWAITING SALE

SALE NO : 1

Scheduled for 09TH/10TH JANUARY 2024

	LOTS	QUANTITY
ExEstate	692	714,814
High & Medium	1,509	645,625
Leafy	1,933	693,228
Semi Leafy	1,450	606,908
Tippy	1,822	859,124
Premium Flowery	427	68,439
OffGrades	2,201	1,077,369
Dust	501	444,125
Total	10,535	5,109,632
RePrint	477	217,749

17/01/2024

Buyers Prompt

18/01/2024

Sellers Prompt

**This sale last year
Sale No. 1 | 10TH / 11TH JANUARY 2023**

Lots :9,907
Re-print Lots :573
Quantity :5,071,217 kgs
Re-print Quantity :307,244 kgs

LOW GROWN CATALOGUES

Violations Excluded

14/12/2023

LEAFY

Closed

SEMI-LEAFY

Closed

TIPPY

Closed

OTHER MAIN SALE CATALOGUES

14/12/2023

**HIGH &
MEDIUM**

Closed

**PREMIUM
FLOWERY**

Closed

**OFF
GRADES**

Closed

NO .OF PKGS

136,173

CTC

8,970 Pkgs - 482,861 kgs

ORDER OF SALE

Ex-Estate

LG Large Leaf//Semi Leafy/LG
Small Leaf/BOP1A/ Premium

High & Medium/Off
Grade /Dust

AS

FW

EB

FW

BC

FW

LC

EB

MB

CTB

CTB

LC

BC

JK

AS

JK

AS

BC

MB

LC

CTB

EB

MB

JK

Approx Selling time of
F&W Catalogues

10TH

JANUARY 2024

8.30am

Low Grown - Leafy Teas

8.30am

Low Grown - Semi Leafy Teas

8.30am

Low Grown - Tippy Teas

9.30am

Main Sale - High & Medium

3.30pm

BOP1A

5.00pm

Premium Flowery

11TH

JANUARY 2024

8.30am

Off Grades

9.00am

Ex-Estate

12.30pm

Dust

BC - Bartleet Produce Marketing (Pvt) Ltd FW - Forbes & Walker Tea Brokers (Pvt) Ltd

LC - Lanka Commodity Brokers (Pvt) Ltd AS - Asia Siyaka Commodities PLC

EB - Eastern Brokers Ltd JK - John Keells PLC

CTB - Ceylon Tea Brokers PLC MB - Mercantile Produce Brokers (Pvt)Ltd

DETAILS OF AWAITING SALE

SALE NO : 2

Scheduled for 16TH/17TH JANUARY 2024

	LOTS	QUANTITY
ExEstate	746	765,788
High & Medium	1,474	633,414
Leafy	1,915	689,926
Semi Leafy	1,470	619,175
Tippy	1,895	887,526
Premium Flowery	414	64,251
OffGrades	2,227	1,089,613
Dust	485	433,118
Total	10,626	5,182,811
RePrint	507	244,538

23/01/2024

Buyers Prompt

24/01/2024

Sellers Prompt

This sale last year
Sale No. 1 | 17TH /18TH JANUARY 2023

Lots	:9,992
Re-print Lots	:583
Quantity	:5,162,286 kgs
Re-print Quantity	:288,416 kgs

LOW GROWN CATALOGUES

Violations Excluded

14/12/2023

LEAFY	SEMI-LEAFY	TIPPY
Closed	Closed	Closed

OTHER MAIN SALE CATALOGUES

14/12/2023

HIGH & MEDIUM	PREMIUM FLOWERY	OFF GRADES
Closed	Closed	Closed

NO .OF PKGS
138,308

CTC
9,020 Pkgs - 483,796 kgs

CATALOGUE CLOSURE DETAILS

16/17

JANUARY 2024

Sale No. 3

The Ex-Estate catalogue closed on 21st December 2023, excluding violations. The Main Sale catalogues too closed on 21st December 2023, excluding violations.

23/24

JANUARY 2024

Sale No. 4

The Ex-Estate and Main Sale catalogues are scheduled to close on 04th January 2024.

30/31

JANUARY 2024

Sale No. 5

The Ex-Estate and Main Sale catalogues are scheduled to close on 12th January 2024.

TEA MARKETS AROUND THE WORLD

MOMBASA AUCTION

01ST, 02ND AND 03RD JANUARY 2024 (SALE NO. 01)

There was fairly good demand in the opening sale of the year for the 225,395 packages (15,037,145.00 kilos) available in the market; 40.82% remained unsold.

MARKETS

Pakistan Packers, Yemen and other Middle Eastern countries were active but at lower levels with Bazaar more active but selective. UK lent more support while Afghanistan maintained selective enquiry. There was improved activity from Egyptian Packers while Kazakhstan and other CIS states showed less participation. South Sudan showed more interest while Russia, Iran and Sudan were quiet. Local Packers maintained support with Somalia active but at lower rates at the lower end of the market.

OFFERINGS

Leaf Grades - 130,435 packages (8,580,234.00 kilos) - 44.53% unsold.

Dust Grades - 70,280 packages (5,211,442.00 kilos) - 37.39% unsold.

Secondary Grades - 24,680 packages (1,245,469.00 kilos) - 30.96% unsold.

LEAF GRADES (M2)

BP1:

Best - Mostly eased by up to USC40 but select lines sold above previous rates by up to USC27.

Brighter - Saw less enquiry up to USC43 below previous levels but a few invoices were steady to dearer by up to USC16.

Mediums - KTDA mediums lost up to USC2 where sold with Plantation mediums irregularly easier by up to USC12.

Lower Medium - Met irregular demand and varied between firm to USC14 above last levels to easier by up to USC17.

Plainer - Steady to USC6 above previous rates to easier by up to USC14.

PF1:

Best - Mostly easier by up to USC39 but select lines gained USC10.

Brighter - Irregularly discounted by up to USC20.

Mediums - KTDA mediums lost up to USC24 but select lines were USC4 dearer with Plantation mediums irregular at USC4 dearer with some invoices gaining up to USC25 to mostly easier by up to USC11.

Lower Medium - Irregular enquiry at firm to USC12 dearer to easier by up to USC16 with some lines USC35 below previous rates.

Plainer - Firm to USC18 above previous rates to easier by up to USC12.

CTC QUOTATIONS	BP1 - USC	PF1 - USC
<i>Best</i>	255 - 420	318 - 374
<i>Good</i>	255 - 297	312 - 348
<i>Good Medium</i>	255 - 292	272 - 334
<i>Medium (KTDA)</i>	250 - 252	217 - 292
<i>Medium (Plantations)</i>	115 - 210	122 - 216
<i>Lower Medium</i>	087 - 164	060 - 158
<i>Plainer</i>	070 - 142	039 - 114

DUST GRADES (M1)

PDUST:

Best - Irregular interest ranging from firm to USC20 dearer with some lines advancing by up to USC52 to easier by up to USC37.

Brighter - Were discounted by up to USC45.

Mediums - KTDA mediums met irregular enquiry at USC8 dearer to easier by up to USC32 while Plantation mediums were steady to USC10 dearer but some

teas lost up to USC2.

Lower Medium - Saw good but irregular support varying between firm to mostly dearer by up to USC21 to easier by up to USC6 for some invoices.

Plainer - Improved activity at dearer rates advancing by up to USC22.

DUST1:

Best - Irregular varying between USC4 above previous levels to mostly easier by up to USC25.

Brighter - Mostly discounted by up to USC37 but select invoices were firm to USC9 above last levels..

Mediums - KTDA mediums were irregular between USC9 above previous rates to easier by up to USC33 while Plantation mediums lost USC10 with some lines discounted by up to USC28.

Lower Medium - Met good but irregular interest ranging between firm to USC17 dearer to easier by up to USC12.

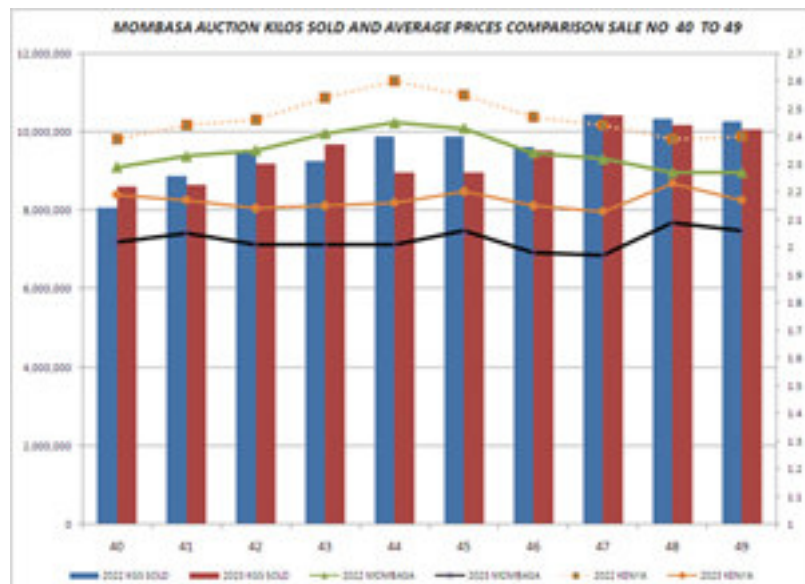
Plainer - Saw more but irregular support and were mostly dearer by up to USC30 but some lines lost up to USC8.

CTC QUOTATIONS	PDUST - USC	DUST1 - USC
<i>Best</i>	305 - 490	308 - 340
<i>Good</i>	297 - 332	301 - 330
<i>Good Medium</i>	291 - 338	290 - 324
<i>Medium (KTDA)</i>	217 - 296	217 - 293
<i>Medium (Plantations)</i>	105 - 245	190 - 267
<i>Lower Medium</i>	078 - 176	092 - 190
<i>Plainer</i>	050 - 122	045 - 133

SECONDARY GRADES (S1)

In the Secondary Catalogues, BPs appreciated while best PFs were dearer with others about steady. Clean well sorted coloury Fannings gained with similar DUSTs selling above previous rates. Other Fannings eased while DUSTs were steady. BMFs were well absorbed.

SECONDARY QUOTATIONS (USC)	BP/BP2	PF/PF2	FNGS1/FNGS	DUST/DUST2	BMF
<i>Best / Good</i>	192 - 260	222 - 271	097 - 234	100 - 302	090
<i>Good Medium / Medium</i>	-	-	125 - 158	125 - 258	-
<i>Lower Medium</i>	100 - 132	054 - 134	045 - 128	045 - 120	045 - 064
<i>Plainer</i>	080 - 124	045 - 071	040 - 059	046 - 075	040 - 066



Courtesy - Africa Tea Brokers Limited.

BANGLADESH AUCTION

01ST JANUARY 2024 (SALE NO. 36)

CTC LEAF: 79,050 packages of tea on offer met with a fairly good demand.

BROKENS: Well made good liquoring Brokens were a good market and were mostly firm. Medium varieties met with a little less demand and were an easier market with more withdrawals. Plain varieties were again a lower market following much less demand. Withdrawals were heavy in this category. BLF teas once again met with a selective demand and were mostly easier with heavy withdrawals.

FANNINGS: A small weight of good liquoring Fannings were well competed for and were mostly dearer. Other varieties met with a fair demand but were again easier with quite fair withdrawals. Plain teas met with a fair demand at easier rates with quite a lot of withdrawals. BLF teas once again met with a

selective demand and were mostly easier with heavy withdrawals

DUST: 18,150 packages of tea on offer met with only fair demand. Good liquoring Dusts met with a fair demand and sold Tk.5/- to Tk.10/- less than last levels. Mediums were an easier market with some withdrawals. Plain and BLF Dusts were difficult of sale with heavy withdrawals. Blenders were fairly active whilst Loose tea buyers were very selective.

COMMENTS: A heavier weight of teas were on offer which mainly comprised of reprinted teas of previous sales. Blenders lent good support particularly for the brighter liquoring types which often appreciated. Loose tea buyers lent quite fair support.

Dusts were an easier market with more withdrawals than last. Our catalogue: (Sale 36) Avg: Tk 170.50 , Sold 47.16 % , (Sale 35) Avg: Tk 169.31 , Sold 56.99 %

QUOTATIONS	BROKENS	QUOTATIONS	FANNINGS
<i>Best</i>	1.82-1.91	<i>Best</i>	1.91-2.05
<i>Good</i>	1.59-1.68	<i>Good</i>	1.64-1.73
<i>Good Medium</i>	1.32-1.41	<i>Good Medium</i>	1.32-1.41
<i>Medium</i>	1.18-1.27	<i>Medium</i>	1.18-1.27
<i>Plain</i>	0.73-0.91	<i>Plain</i>	0.82-1.00
<i>BLF</i>	0.63-1.00	<i>BLF</i>	0.63-1.00

Courtesy - National Brokers Limited.

TEA MARKETS AROUND THE WORLD

MALAWI AUCTION

03RD JANUARY 2024 (SALE NO. 01)

There was less demand at firm to easier rates for the 2900 packages on offer.

BP1- N/A

PF1/PF1SC were up to 15USC below valuation where sold.

PD sold 7USC below valuation.

D1 tended firm to 6USC easier on last.

F1 were up to 5USC easier.

F2 were firm on last.

D2/RD held firm on last where sold.

Courtesy - Tea Brokers Central Africa Limited

KOLKATA AUCTION

03RD, 04TH AND 05TH JANUARY 2024 (SALE NO. 01)

Fair demand at easier rates for Assams seen so far. W I - Operating . HUL - Operating . TCPL - Operating . . Based on ABL 's

(1st session) Catalogue.

Courtesy - Associated Brokers Pvt Ltd, Kolkata

GUWAHATI AUCTION

02ND JANUARY 2024 (SALE NO. 03)

Fair demand. Good and best categories on offer so far are barely steady to easier following quality. Remainder yet to be seen. (JT running at 67 %). Buying Pattern: HUL/ Western India / Internal operating.

Courtesy - Associated Brokers Pvt Ltd (Guwahati)

COCHIN AUCTION

02ND JANUARY 2024 (SALE NO. 01)

CTC DUST

DEMAND: Liquoring teas - good

REMAINDER - Fair (90% sold)

MARKET: popular marks of kerala and good liquoring teas steady to firm and sometimes appreciated as the sale progressed. The rest irregular and sometimes tending easier.

BUYING PATTERN AVT Selective and subdued and absorbed lesser quantity compared to previous weeks. Devgiri tea & produce lent useful support. Kerala loose tea traders and upcountry buyers lent fair support. Major packeteers (hul & tcpl) very selective and absorbed small quantity. Eastea chai & Indcoserve operated. Kerala state civil supplies did not operate. Export enquiry was limited.

ORTHODOX DUST

DEMAND: Less (45% sold)

MARKET: Primary steady, while secondary easier and witnessed some withdrawal

BUYING PATTERN: Upcountry buyers were the main stake holder.

Courtesy - FORBES, EWART & FIGGIS PVT. LTD



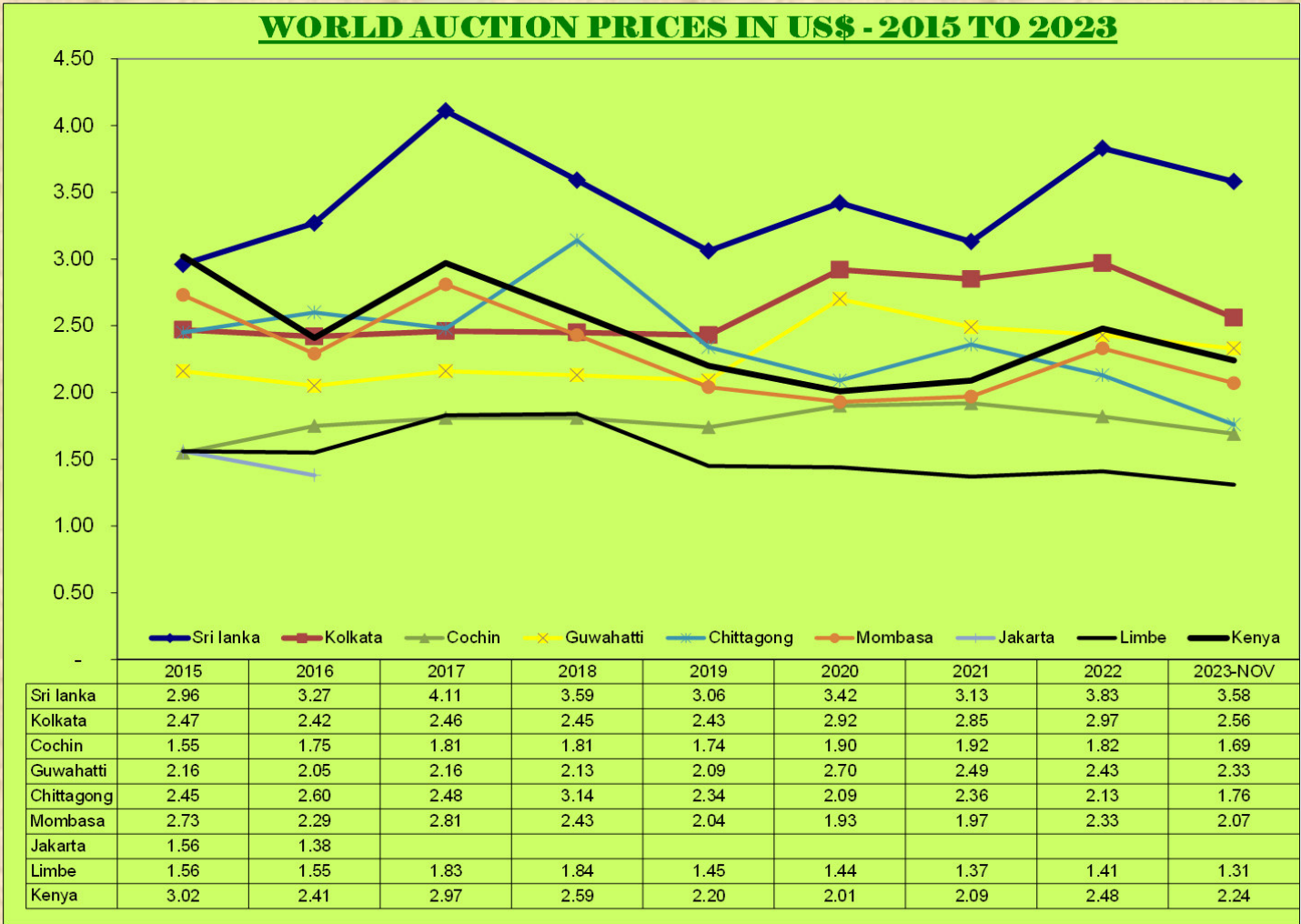
Tea Industry Review of Performance 2023

&

Outlook for 2024

Provisional Tea Industry Performance in Summary – 2023

- * **Production** – Increase by approximately 4 to 6 M/Kgs (1.5% to 2.0%) year-on-year (up to end Nov 2023).
- * **Tea exports volume** – Decrease by approximately 9 to 11 M/Kgs (- 4% to 5%) year-on-year (up to end Nov 2023).
- * **Tea export earnings** are likely to show a gain of Rs. 18-20 Billion (4% to 5%) year-on-year.
- * **Auction averages/prices** – National Average for the year 2023 of Rs. 1,171.29 shows a decrease of Rs. 63.95 and 0.25 in USD terms compared to the year 2022.



F&W Research



** Colombo auction prices continue to be the highest amongst other tea auction centres in the world.*

	Jan to Dec 2023		Jan to Dec 2022		VARIANCE 2023 - 2022		Jan to Dec 2022		Jan to Dec 2021		VARIANCE 2022 - 2021	
	SLR	USD	SLR	USD	SLR	USD	SLR	USD	SLR	USD	SLR	USD
High Grown (Summary)	1072.48	3.28	1093.10	3.40	-20.62	-0.11	1093.10	3.40	587.13	2.98	505.97	0.41
Medium Grown (Summary)	1012.35	3.10	1030.82	3.20	-18.47	-0.10	1030.82	3.20	550.80	2.80	480.02	0.40
Low Grown (Summary)	1252.15	3.83	1339.86	4.16	-87.71	-0.33	1339.86	4.16	644.23	3.27	695.63	0.89
TOTAL	1171.29	3.59	1234.24	3.83	-62.95	-0.25	1234.24	3.83	615.44	3.13	618.80	0.71
USD Conversion	326.63		321.89				321.89		196.75			

Review 2023

Q1	PRODUCTION - Kg			AUCTION PRICE Rs.			EXPORT REVENUE-Rs.			FOB PRICE - Rs.		
	FY 2022	FY 2023	VARIANCE	FY 2022	FY 2023	VARIANCE	FY 2022	FY 2023	VARIANCE	FY 2022	FY 2023	VARIANCE
	63.33 Million	59.36 Million	↓ (3.97)	763.83	1395.56	↑ 631.73	62.95 Billion	110.22 Billion	↑ 47.27	988.15	2,038.04	↑ 1,049.89

1st Quarter – Commencing March 2023, rupee tea prices slumped following an unexpected appreciation of the Sri Lankan Rupee and continued to weaken in the backdrop of a volatile currency.

The Western sector continued to achieve positive results amidst limited volumes assisted by steady prices and good demand for the better-quality teas, whilst the others eased selectively.

Low Grown teas followed a similar trend demand-wise, particularly in USD terms as the volatility in the currency continued to impact on rupee tea prices. Yet another factor that adversely impacted on tea prices, particularly the Low Grown sector, was the withdrawal of regular purchasing by Iran.

Q2	PRODUCTION - Kg			AUCTION PRICE Rs.			EXPORT REVENUE- Rs.			FOB PRICE - Rs.		
	FY 2022	FY 2023	VARIANCE	FY 2022	FY 2023	VARIANCE	FY 2022	FY 2023	VARIANCE	FY 2022	FY 2023	VARIANCE
	69.97 Million	74.25 Million	↑ 4.28	1300.85	1069.84	↓ (231.01)	101.29 Billion	99.70 Billion	↓ (1.59)	1,644.36	1,714.94	↑ 70.58

Q1-Q2	PRODUCTION - Kg			AUCTION PRICE Rs.			REVENUE- Rs.			FOB PRICE - Rs.		
	FY 2022	FY 2023	VARIANCE	FY 2022	FY 2023	VARIANCE	FY 2022	FY 2023	VARIANCE	FY 2022	FY 2023	VARIANCE
	133.30 Million	134.41 Million	↑ 1.11	1028.82	1226.08	↑ 197.26	164.23 Billion	209.92 Billion	↑ 45.69	1,310.74	1,870.66	↑ 559.92

The 2nd quarter recorded a total of 134 M/Kgs in production, a 14% increase year-on-year, particularly with the latter 2 months in the quarter showing a significant improvement in the crop intake primarily from the High & Mid Grown Region. Increased volumes combined with certain qualitative factors placed downward pressure on tea prices, in general and rupee tea prices, in particular. In comparison, in USD terms, High & Mid Growns began to show a negative variance of approximately USD 0.50 per kg and the Low Growns ranging from USD 0.75 per kg to almost USD 1 per kg towards end Q2.

Q3	PRODUCTION - Kg			AUCTION PRICE Rs.			EXPORT REVENUE- Rs.			FOB PRICE - Rs.		
	FY 2022	FY 2023	VARIANCE	FY 2022	FY 2023	VARIANCE	FY 2022	FY 2023	VARIANCE	FY 2022	FY 2023	VARIANCE
	59.47 Million	58.35 Million	↓ (1.12)	1514.56	1092.36	↓ (422.20)	130.02 Billion	113.97 Billion	↓ (16.05)	1,931.58	1,645.36	↓ (286.22)

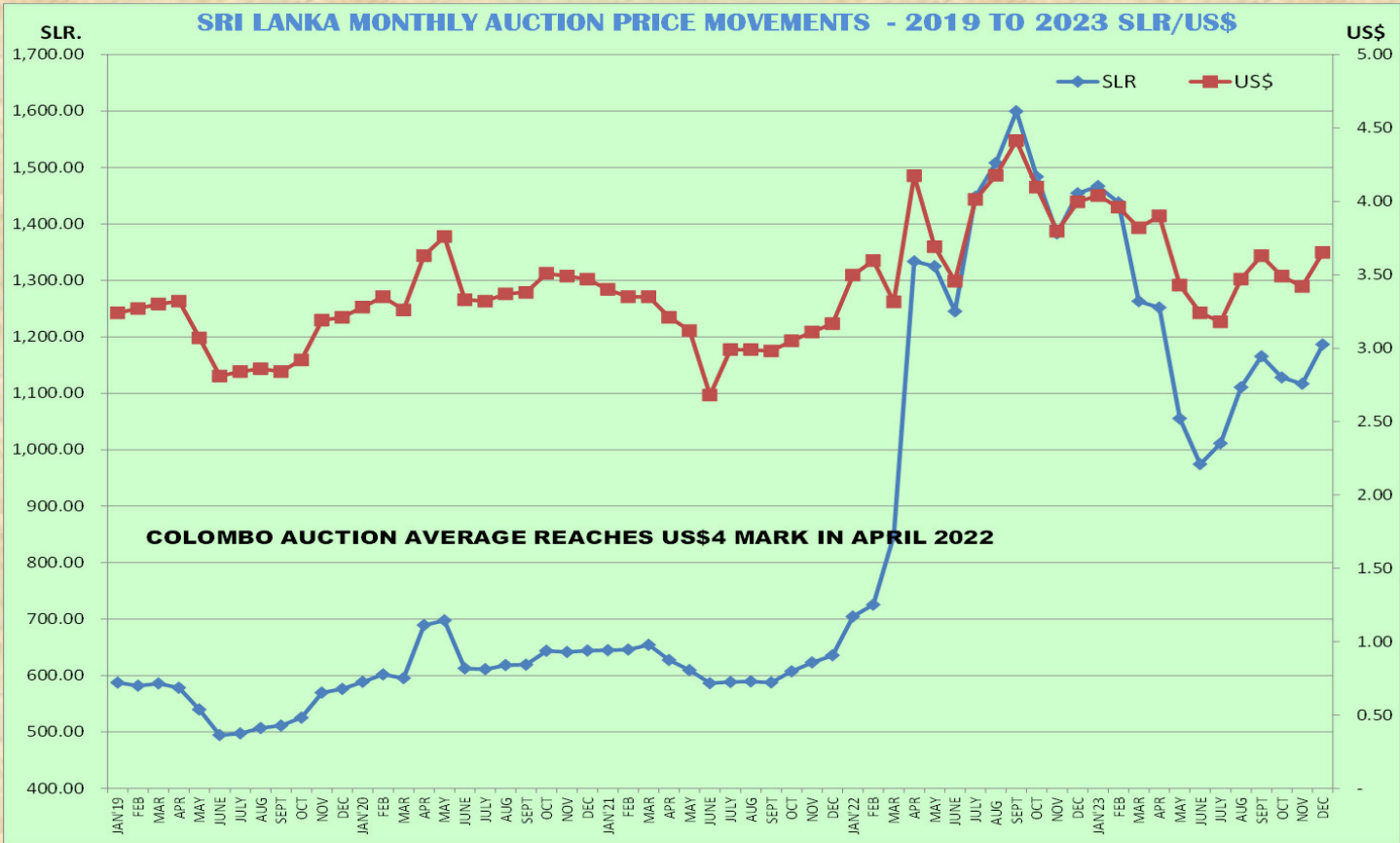
Q1-Q3	PRODUCTION - Kg			AUCTION PRICE Rs.			EXPORT REVENUE- Rs.			FOB PRICE - Rs.		
	FY 2022	FY 2023	VARIANCE	FY 2022	FY 2023	VARIANCE	FY 2022	FY 2023	VARIANCE	FY 2022	FY 2023	VARIANCE
	192.77 Million	193.41 Million	↑ 0.64	1177.51	1180.52	↑ 3.01	294.25 Billion	323.89 Billion	↑ 29.64	1,527.71	1,784.67	↑ 256.96

The 3rd Quarter followed a similar trend as the previous quarters, where selective demand prevailed on the better-quality teas, whilst the others saw a significant price correction following the decline in overall quality mainly due to adverse weather conditions and the ongoing issue of labour shortages.

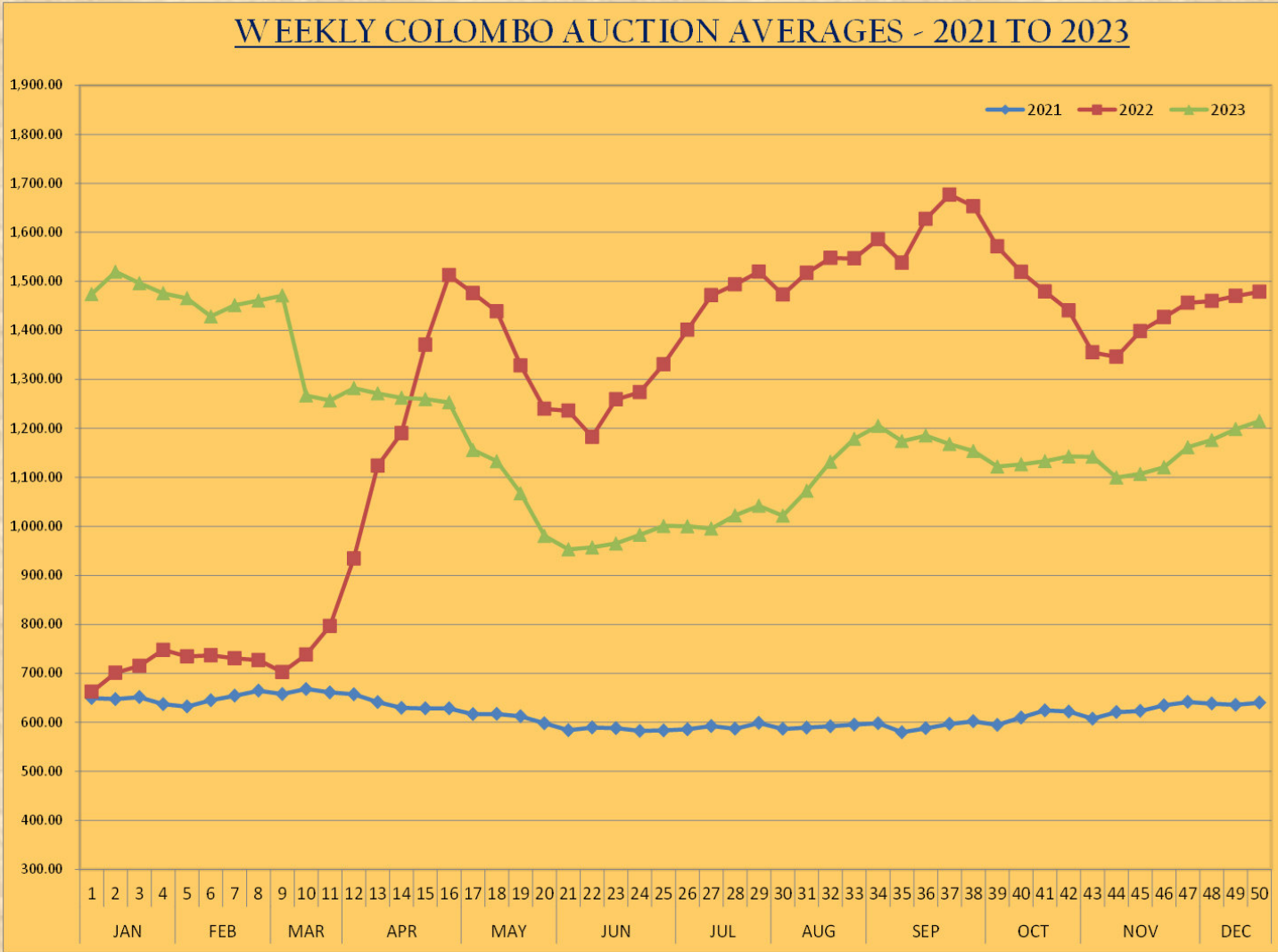
The High Grown Region saw reasonable activity from shippers to Japan and the UK on the higher end of quality teas, whilst shippers to the CIS showed interest on a wider cross-section of offerings throughout the quarter. The Mid and Low Grown regions, in particularly the Large Leaf grades, saw fair demand from the Middle East especially from countries such as Iraq and Türkiye who have also been ranked high amongst the top exporters of Ceylon Tea for 2023.

The commencement of the 4th Quarter met with improved demand predominantly in keeping with the year-end purchasing (i.e. Winter Buying) aimed at the holiday season. Furthermore, one noticeable factor in this quarter was the distinct classification of the better teas vis-à-vis its poorer counterparts. Well-made teas saw a clear differentiation in pricing against the average teas with variances in average prices ranging from USD 1.5 to USD 2 and widening further following rushed crops in the last 2 months of the 4th quarter.

Presently with the provisional figures based on existing patterns of crop intake and weather patterns, total production is expected to close in between 258-260 M/Kgs for the year 2023.



F&W Research



F&W Research

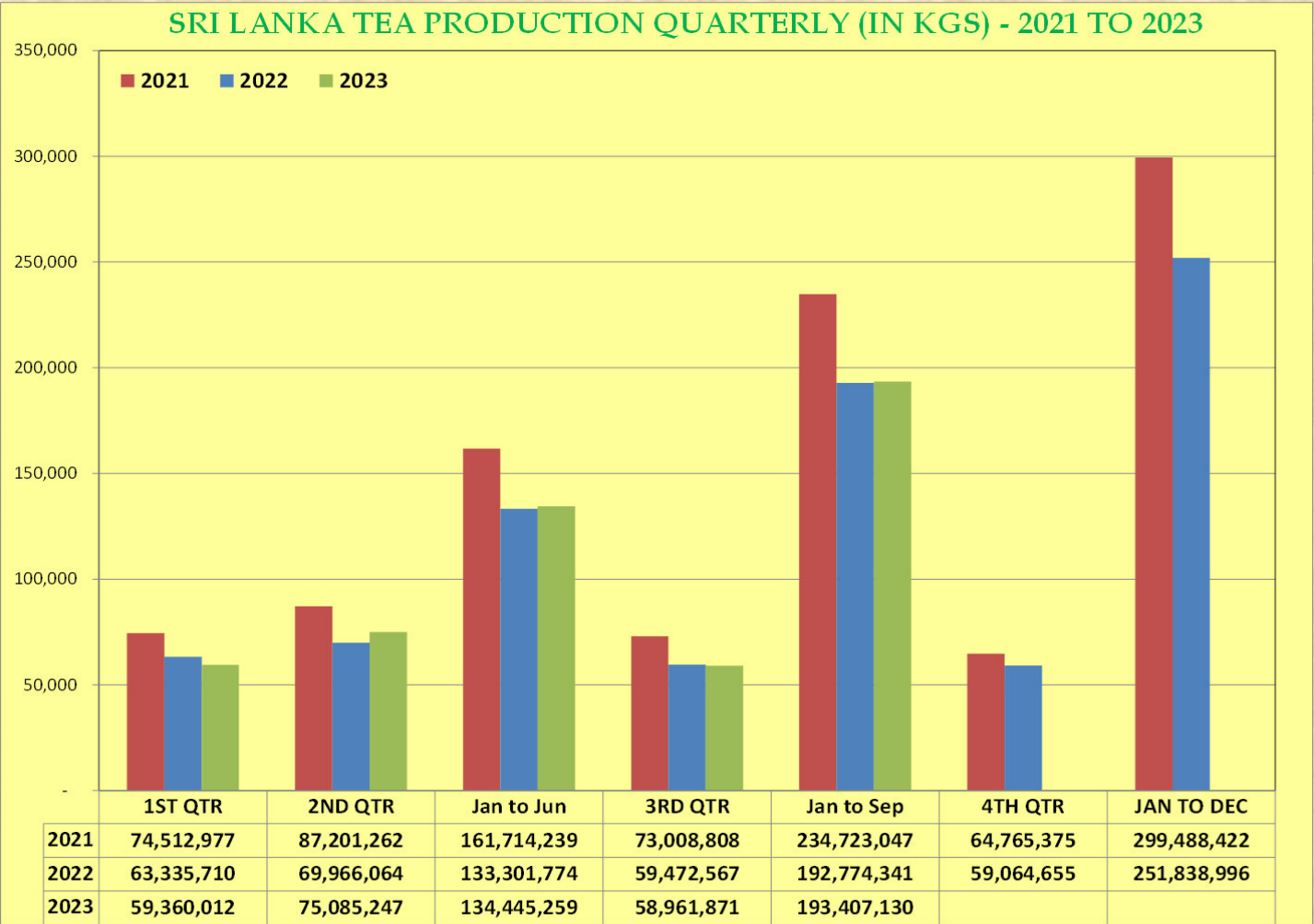
During the period under review:

Key importer countries such as Iran were faced with constraints following the delayed renewal of Import Licenses which included the import of Tea. Thereafter, the natural disasters (earthquakes followed by floods) adversely impacted Turkiye’s purchases with a substantial decline in volumes in comparison with the previous year. Iraq, another prime destination of Ceylon Tea, saw a decline in tea purchases vis-à-vis 2022 following the instability of the Iraqi Dinar against the USD.

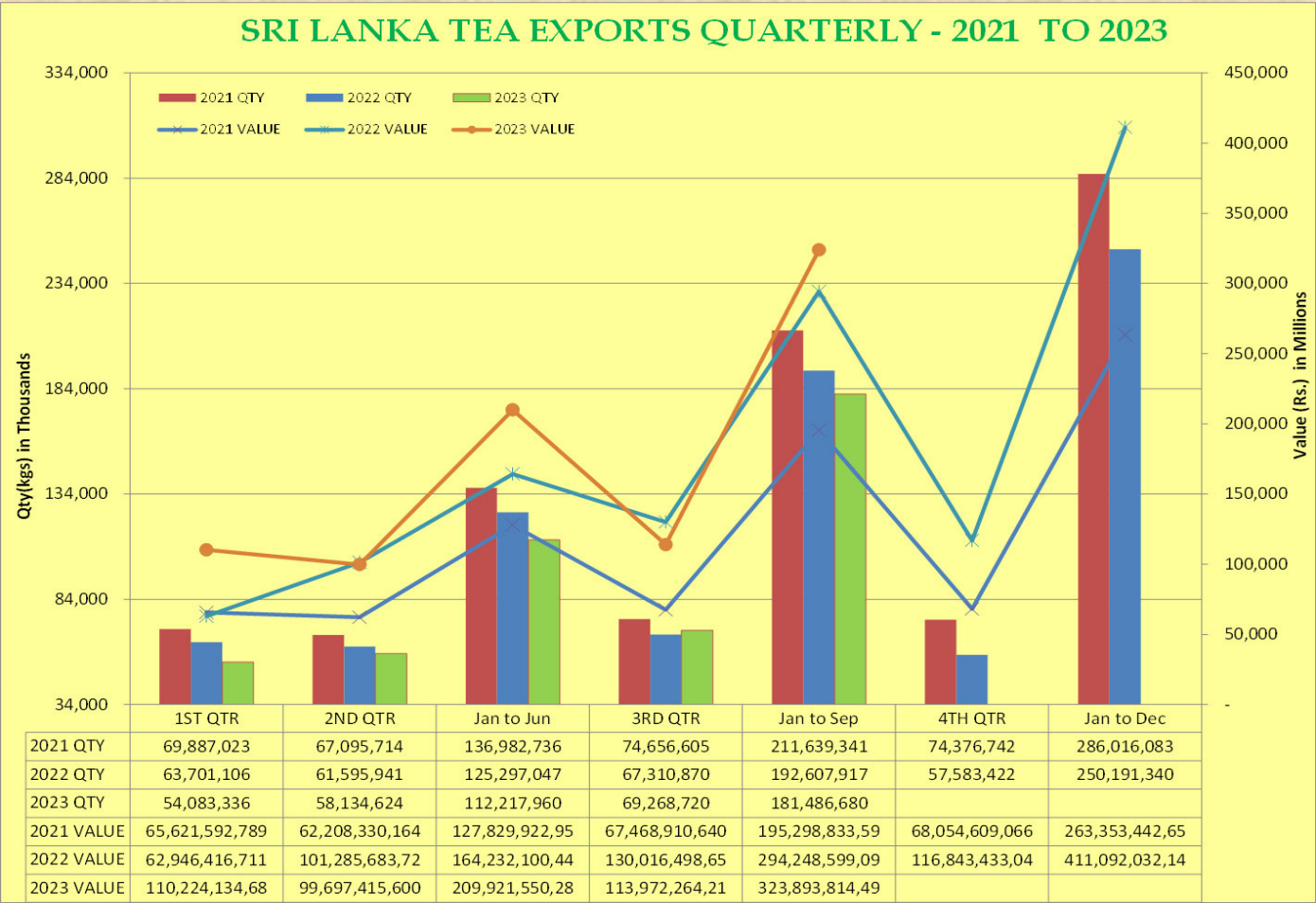
The year 2023 also saw an interesting turn with two world powers India and Russia commencing trading with the Chinese Yuan for oil imports. This year also marks the largest bank failure (Silicon Valley Bank) since the 2008 economic crisis affecting major companies around the world.

The other key factor was the intensifying of the Israel-Palestine conflict late in the year with Hamas launching an assault on Israeli towns bordering the Gaza Strip, prompting military retaliation from Israeli Forces.





F&W Research

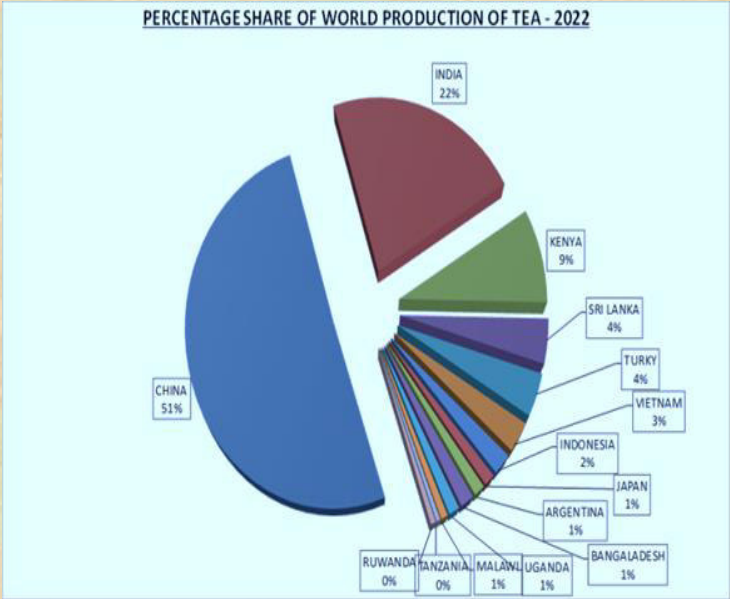
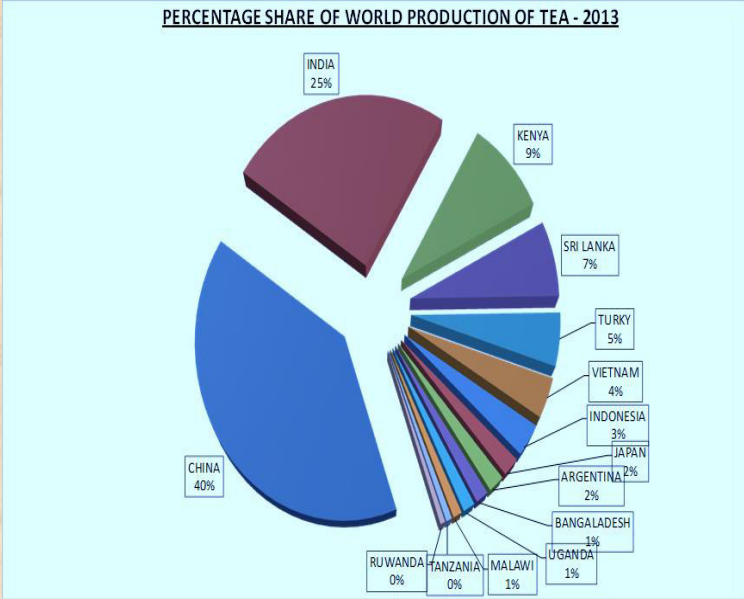


F&W Research

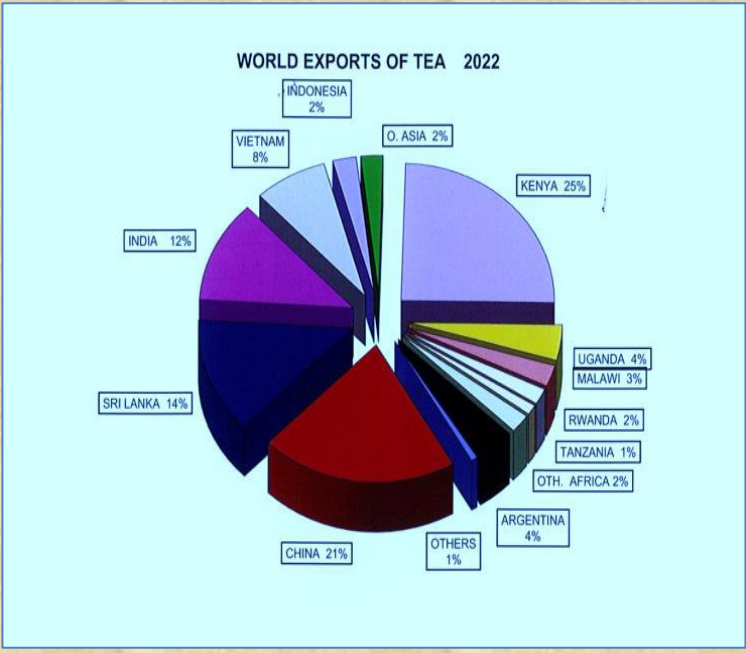
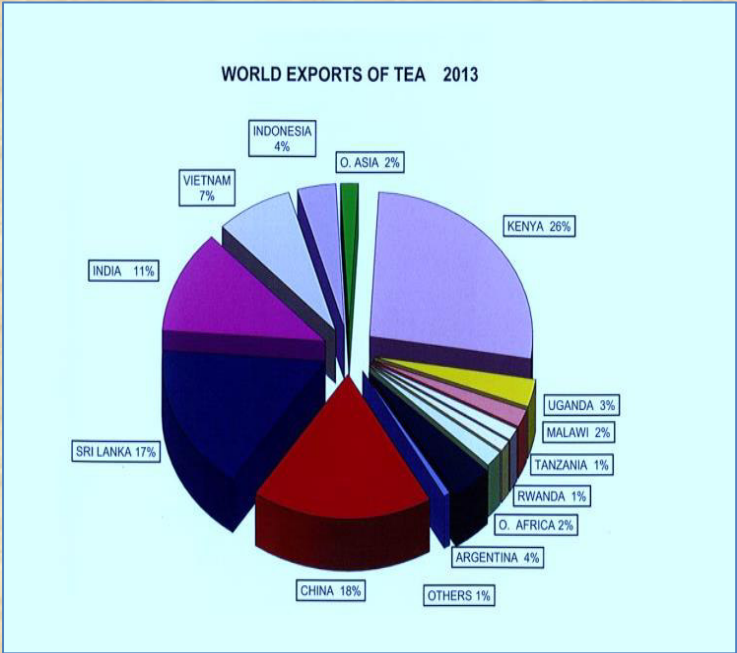
MONTHLY PRODUCTION OF TEA - TWELVE MONTH ROLLING TOTALS (MT)

COUNTRY NAME	OCT' 20- SEP' 21	OCT' 21- SEP' 22	OCT' 22- SEP' 23
N E INDIA	1,118,200	1,152,680	1,110,100
SOUTH INDIA	243,940	230,200	233,290
BANGALADESH	93,697	95,584	99,079
SRI LANKA	311,979	257,355	252,081
KENYA	535,997	531,907	519,257
MALAWI	51,235	47,429	42,972
TANZANIA	27,396	24,587	27,107
UGANDA	79,449	79,191	74,728
TOTAL	2,461,893	2,418,933	2,358,614

COMPARISON OF THE PERCENTAGE SHARE OF WORLD TEA PRODUCTION (2013 VS. 2022)



COMPARISON OF WORLD EXPORTS OF TEA (2013 VS. 2022)



SRI LANKA MACROECONOMIC UPDATE – 2023

Sri Lanka’s economy is recovering from the debt default crisis in 2022. The economy grew amid rising taxes with exchange rate stability provided by largely deflationary policy. The interest rates also eased as confidence returned. The IMF Board completed the first review under the 48-month Extended Fund Facility with Sri Lanka, providing the country with access to SDR 254 million (about US\$337 million) to support its economic policies and reforms. The government has raised indirect taxes including Value Added Tax (VAT) instead of direct taxes to boost the revenue and reach the key targets.

Tabulated below are Key Economic Indicators

Indicator	Beginning of 2023		End of 2023	
Gross Domestic Product (LKR. Trillion)	12.0	2022	26.9	First 9 Months,2023
Reserves (USD Billions)	5.9	1st Jan 2023	8.7	30th Sep 2023
National Debt (LKR Trillions)	27.5	1st Jan 2023	25.5	30th Nov 2022
Exchange rate against USD	363.11	2nd Jan 2023	326.99	18th Dec 2022
Interest rate for 1 year Treasury Bill	29.16	09th January 2023	12.89	30th Nov 2023
AWPLR	28.19	Month of Jan 2023	13.13	Month of Dec 2023
AWDR	14.63	Month of Jan 2023	12.11	Month of Nov 2023
NCPI based inflation	53.2%	Month of Jan 2023	1.0%	Month of Oct 2023
Government Tax Income (LKR. Trillion)	1.75	2022	1.50	Jan-July 2023
Government Borrowing (LKR. Trillion)	27.40	2022	26.90	Jan-June 2023

Source -Department of Census and Statistics/Central Bank of Sri Lanka

Economic Growth

Growth in Sri Lanka Gross Domestic Product

	Annual				2023 Quarterly		
	2019	2020	2021	2022	Q1 - 2023	Q2 - 2023	Q3 - 2023
Agriculture	1.0	(1.4)	2.5	(4.6)	0.8	3.6	3.0
Industry	2.6	(5.3)	5.6	(16.0)	(23.4)	(11.5)	0.3
Services	2.2	(1.9)	3.3	(2.0)	(5.0)	(0.8)	1.3
Taxes less subsidies on products	2.4	(9.3)	(5.2)	(27.1)	(28.7)	12.6	13.6
Total	2.3	(3.5)	3.3	(7.8)	(11.5)	(3.1)	1.6

Source -Department of Census and Statistics/Central Bank of Sri Lanka

Agriculture Sector Performance

Sri Lanka’s gross domestic product expanded by 1.6% in the third quarter with the Agriculture Sector expanding by 3% in the quarter from the previous year. In agriculture, rice expanded 23.3%, vegetables 3.2%, fruits 5.4%. The coconut sector contracted 6.1%, while tea also contracted by 1.4%.



Prospects for 2024

Supply

Analysts predict global output to increase by 1.5% to 3% in 2024 and 2025, which is far below a historic average of an annual 4.4%, but forecasts are subject to a high degree of uncertainty due to a probable El Niño and the unknown factor of its intensity. From a Sri Lankan perspective, a strict enforcement of the B60 programme compelling tea growers/manufacturers towards an improved standard of green leaf is likely to at least in the short-term restrict availability, whilst perhaps improving the overall availability of quality ‘Ceylon Tea.’ Combining these factors, from a supply point of view, due consideration needs to be given to the fact that the 1st quarter is a lean period for almost all producer countries and in Sri Lanka, the Western quality season experienced during this time of the year lends towards improved availability of better-quality teas.

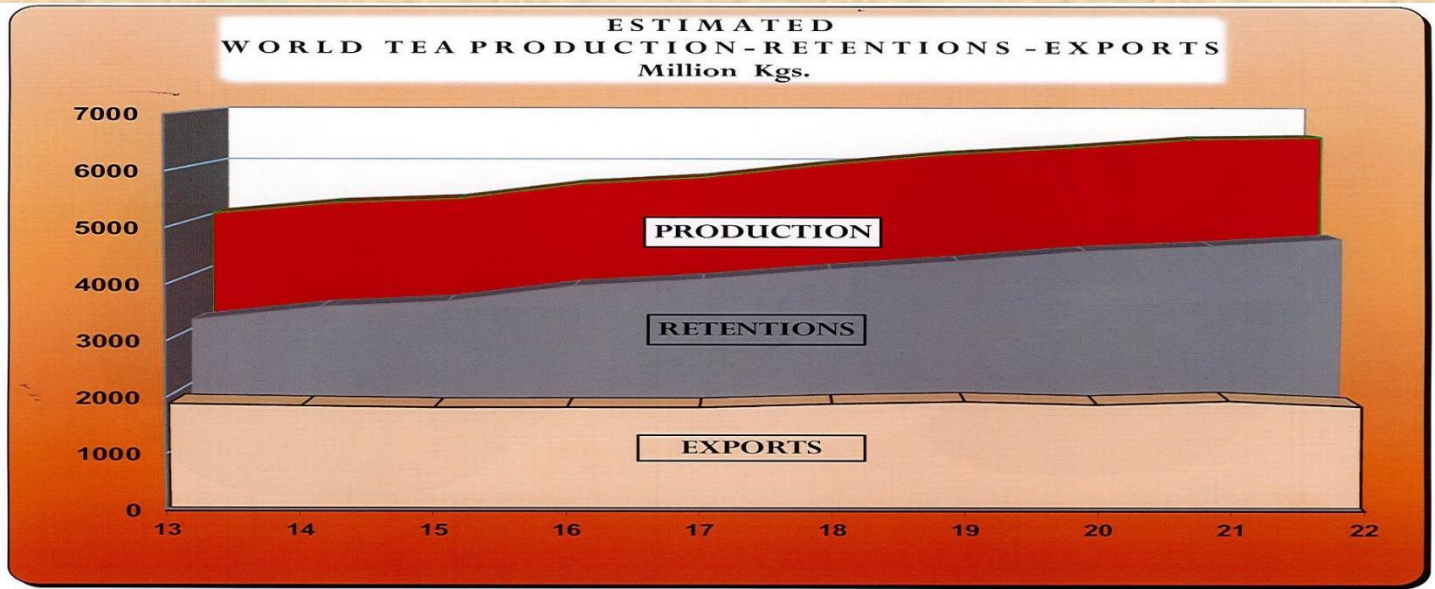
Yet another factor for consideration is the rising input costs that in inflation adjusted terms would lower farmer profits. As such, prospects for investments in the sector to increase productivity and yields would thus remain weak.

Although global fertilizer prices have eased sharply in 2023, it still remains high by historical comparison. As an alternative, governments in tea producing countries should and are likely to endeavour to offset high input costs by pursuing production efficiencies via technology and the constant labour shortages by improving mechanisation etc. All these factors in the long-term are likely to accelerate production growth, but the boost to output would be mild as the roll-out would be gradual.

Prices

In projecting tea prices, the following would be salient factors for consideration.

- Tea consumption in India, which accounts for approximately 20% of global demand, is estimated to rise by 3%-4% in the next 2-3 years. A market with great potential by its sheer size and for Sri Lanka, it is perhaps an opportunity considering its close proximity and trade relations.
- Russia, the world’s largest tea importer with an estimated 2% of global tea imports, is likely to be affected by the struggling domestic economy reflecting the impact of sanctions. Consequently, it is most likely to witness a general decline in tea consumption as well during the period under review.
- Türkiye, which is yet another important market for Ceylon Tea and accounts for approximately 4% of global consumption, has practically a saturated market, although maintaining the highest consumption per head. Here again, Türkiye’s weak economic performance is likely to hamper teas consumption, resulting in stagnation in imports during the period under review.
- Iran, again an important market for Ceylon Tea, is also constrained with trading conditions which is reliant on 3rd party payments often hampering the smooth import and payment for tea.
- The main tea consuming countries are also the largest producers and in recent years, a rising share of output has been retained for domestic consumption (from a 63% in 2013 to a 72% in 2022).



Source: International Tea Committee

- Chinese consumption is likely to grow showing a preference for black tea. Although ready to drink products were rising firmly before the pandemic, analysts predict that quality loose tea will continue to dominate the market.
- The US market for tea though small is expected to show a fairly firm growth in consumption. However, with most of the larger tea markets dominated by loose-leaf teas; the US remains one of the most important single markets for instant and iced tea, and perhaps handcrafted specialty teas.
- Commitment to sustainability with integrity will afford opportunities and challenges to outperform competitors in the beverage sector.

In Sri Lanka more stringent taxation policies are due to be introduced in 2024, further increasing costs in the manufacturing sector predominantly.

On a more positive note, the IMF bail-out deal expected to be finalised in 2024 would provide an element of confidence for exporters to make more competitive offers in the short to medium term following a more stable parity rate for the Sri Lankan Rupee.

Needless to say, auction prices would also be quite pivotal on the parity rate and if any unforeseen devaluation of the Sri Lankan Rupee would occur during the period under review, it would be beneficial for the industry considering that many importer country currencies too have devalued over a period of time.

The most recent development would be the Red Sea shipping workarounds which is likely to incur costs and delays for suppliers/retailers.

Considering the challenges both locally and globally, predicting tea prices for a longer period of time is a near impossibility. Prices for Q1, particularly in the backdrop of restricted volumes and a general improvement in product quality, are likely to remain buoyant and prices thereafter would largely depend on how economic and trading conditions unfold in other tea producer/importer countries during the period under review.

(E & OE)

Compiled by Forbes & Walker
