



# Tea prices remain stagnant at this week's auction

**High price limits led to reduced interest by buyers.**

## In Summary

- A kilo averaged \$1.95, same as last week.
- This week, the total volume traded was 2,519,767 kilos less than last week.

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[Kenya](#) 14 August 2021 - 13:00

**TEA PRICES:** Bags of export tea at a warehouse in Shimanzi, Mombasa. /FILE

Tea auction prices held on to an average price of \$1.95 (Sh213.14) per kilo for a second week, as high price limits led to reduced interest by buyers.

This is on the government's intervention to control volumes being offered for trading at the weekly Mombasa auction, in a bid to help stabilise prices.

This week, the total volume traded was 2,519,767 kilos less than last week, auction managers—East African Tea Trade Association (EATTA) notes in its weekly report.

According to EATTA, there was generally good demand for the 167,587 packages (10,971,251.50 kilos) available for sale.

“105,467 packages (6,767,638 kilos) were sold with a reduced interest due to high price limits contributing to 37.07 per cent packages remaining unsold,” the report by EATTA managing director Edward Mudibo reads in part.

There was however strong inquiry from Pakistan Packers with strong interest from Bazaar while Kazakhstan, other CIS States, Yemen, other Middle Eastern countries and Sudan lent more support with useful activity from Egyptian Packers, it notes.

“UK and Afghanistan showed good inquiry but were selective with Russia active. Iran lent some interest while Local Packers increased support in line with price. Somalia was more active at the lower end of the market,” it adds.

Kenya Tea Development Agency (KTDA) last week announced prices of teas from its managed factories improved marginally at the auction, selling at an average of \$2.43 (Sh269.97 per Kilo compared to \$2.29 (250.30 at the previous auction.

Overall auction prices however were at \$1.88 (Sh205.48) the previous week.

They hit a low of \$1.55 (Sh169.42) five weeks ago.

KTDA has introduced a minimum reserve price to control prices from falling below the preferred 2-dollar mark.

According to KTDA Holdings board, the move was informed by the need to improve farmers' earnings.

Last week, KTDA Holdings acting CEO, Wilson Muthaura, said the improvement in price and absorption of KTDA teas is welcome, and is a reflection that tea buyers appreciate the need for sustainable tea farming.

He said KTDA-managed factories are exploring ways of reducing operational costs, including instituting energy-saving measures and installing more efficient tea processing machines.

<https://www.the-star.co.ke/business/kenya/2021-08-14-tea-prices-remain-stagnant-at-this-weeks-auction/>