



Tea Surveillance

11th March 2009

This week's auction offerings recorded a marginal decline and totaled 4,458 Mkgs. Low grown quantities offered continued to show a decline in quantity of 0.220 kgs. High and Mid grown quantities arriving at the Colombo Auction this week decreased marginally. The quantities offered for the forthcoming sale of 17th /18th March 2009 shows no significant increase in quality.

MARKET SEGMENTS In the **Ex-Estate** offerings the overall quality showed an improvement on last with a wider selection of useful liquoring teas from the western planting districts on offer. These varieties consequently appreciated selectively on Airmail inquiry. However the upper bracket of this segment did not close the sale at the same note. The improved varieties lost out in demand towards a latter part of the sale. The BOP's on offer showed no improvement vis-à-vis the last sale. Japan, UK and Germany continued its collection on the seasonal teas as done last week. Significant price variances were observed between invoices of the same estate. Shippers to Russia and Pakistan appeared to be aggressive this week particularly towards the thick coloury teas. Whilst the shippers to UK, the Continent and the CIS were reasonably active. The buying strengths were significantly showed on the CTC varieties. However it showed wide spread demand with limited openings. **Low Grown Leafy Segment:** continued to be strong for the forth consecutive week. Wiry teas had a better sale this week and the most significant improvement was in the OP1 grade. Rest of the grades were firm. **Tippy Market Segment** strong demand was witnessed, moderate buying pattern was witnessed from all the buying nations.

Cash Flow Issues: Tea manufacturers say the sector cash flow problems are worsening despite a government assistance package. This time because banks are unwilling to offer credit, even with a government guarantee. The government said it will give assistance for working capital loans and said the Treasury will give a 6% interest subsidy on loans. In January the Treasury issued instructions to the banks. So this has a 100% treasury guarantee. But up to now no one has got any money because the banks are asking for collateral and mortgages.

However, tea factories are already heavily in debt to banks. Many factories have already borrowed to develop the factories. So they do not have further collateral to offer. If the banks continue to ask for collateral and mortgages to give more loans, about 60% - 70% of factories may not qualify to get any more loans.

Five-Day Week: The Employers Federation of Ceylon (EFC) has asked the government to allow factories to cut down the five-and-a-half working days to five days - with one extra hour of work during the five working days. □The EFC is also asking for "short-term lay-off of workers." Both measures are to help factories cope with sudden reductions in export orders, due to the global recession.

A request has been submitted to the National Labour Advisory Council, for greater flexibility in labour laws. This is to allow manufacturers to adjust to a drop in demand without having to shut down or resort to large-scale lay-offs.

With export orders reducing, some local factories are already finding it difficult to operate the standard 45 hours of work per week. So far the most affected are garment factories. However, the EFC says other sectors will also have to face lower orders as the global recession deepens. Therefore, the EFC is asking for at least temporary provisions for labour-law flexibility.

The request is that these provisions be brought in at least until the end of 2009. The garment industry is asking for this kind of flexibility already, but other export sectors will also have to consider these options when the impacts of the global recession gets worse.

Market Up, Exports Down: Sri Lanka tea prices rose at this week's Colombo auctions mainly because of a shortfall in crop as well as improved quality. Prices are likely to remain strong if the present dry weather continues and curtails the crop. This increase in price is a direct result of restricted supply.

Sri Lanka, one of the world's biggest tea exporters, registered a 30 percent drop in overseas sales in January because of a decline in the crop, the Sri Lanka Tea Board said on Thursday. Sales from tea shipments fell to 6.9 billion rupees (61.37 million dollars) in January, compared to 9.8 billion rupees in the same period a year earlier, official figures showed. Volumes of tea exports also fell 25 percent to 17.76 million kilograms (39.07 million pounds) in January, over the same month in 2008, the board said.

The industry is reeling from twin effects of lower rainfall and a deliberate effort to curtail our own production. This has hit our exports in terms of volumes and earnings.

Malaysian Potential: Sri Lanka has much potential to capture the Malaysian market in many areas such as interior, construction, food and beverage. Malaysia is confident of maintaining a stable economy despite the global crisis and Sri Lanka will have new opportunities to enter a competitive market in Malaysia. There will be two major exhibitions in Malaysia, namely "Interiors Malaysia 2009 and the "10th Malaysia International Food and Beverage Trade Fair". The two exhibitions are scheduled to be held at the Putra World Trade Centre Kuala Lumpur from May 20-23 from July 9 to 11.

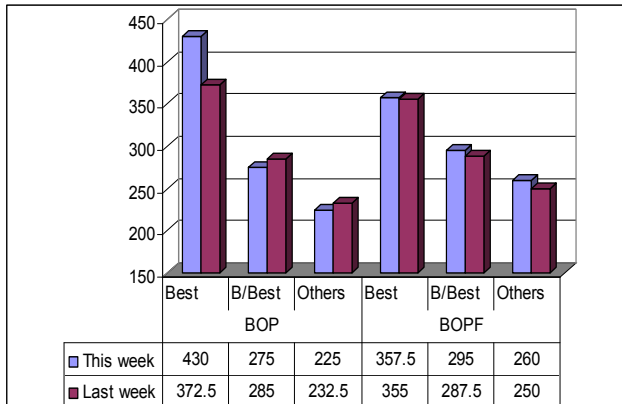
Planters Unhappy: The tea trade in Colombo, Brokers, and most city-based functionaries were in euphoria that prices were good and the industry was doing well. 'Rubbish' said planters, and most Plantation based entities. They said cost of production (COP) was now in excess of Rs. 400. per kilo, although net sales averages (NSA) were good ranging.

This year according to the meteorological Department, frost was intense in Nuwara Eliya and Talawakelle districts, lasting 20 days in temperatures at 4 degrees C. This was extraordinary they said, because usually frost lasts just four days and devastation was not that severe. This year intensity was in the extreme; that, and the drought caused havoc in Planting circles with the end result that losses were compounded through the credit crunch residue moving into 2009.

Sporadic rains have been experienced in most planting districts which hopefully will be the harbinger of usual March afternoon showers stimulating growth and producing much needed crop. 'We hope this will happen' said Planters in Maskeliya.

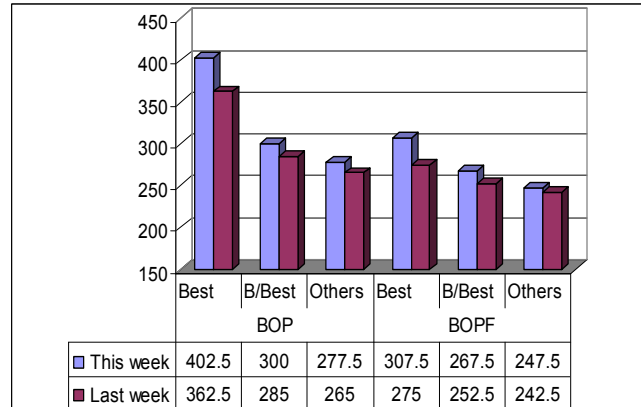
WEEKLY AVERAGE PRICE MOVEMENTS

WESTERN HIGH GROWNS



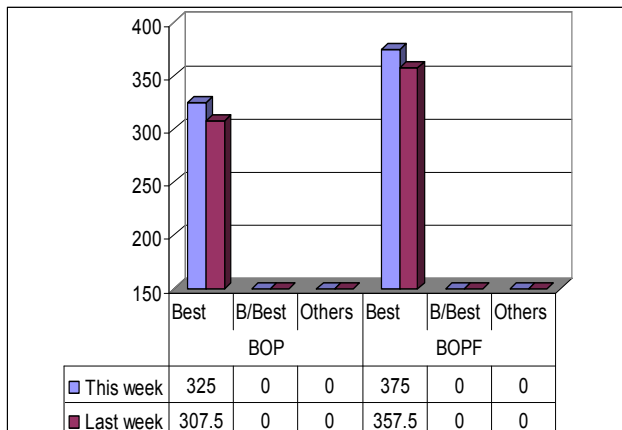
Select best BOP's were dearer by Rs.5-10 per kg. Others gained Rs.10 per kg. Best BOPF's were dearer by Rs.10-15 per kg, whilst others gained Rs.5-10 per kg.

WESTERN MEDIUM GROWNS



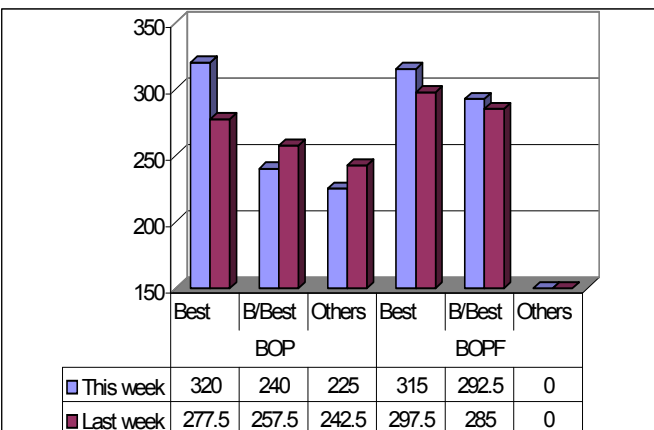
Best BOP's gained Rs.20-30 per kg. Others were irregular, whilst BOPF gained Rs.15-20 per kg.

NUWARA ELIYAS



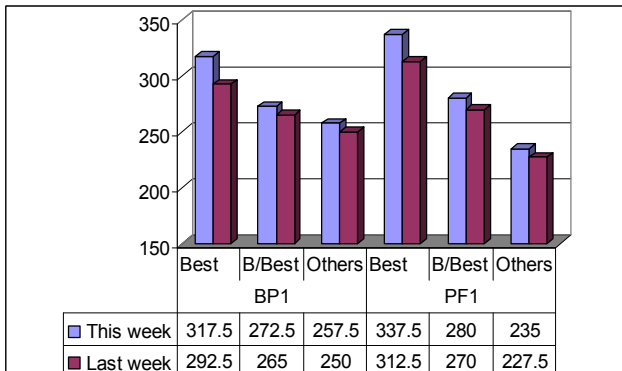
BOP's gained Rs.20-30 per kg, whilst BOPF's appreciated by Rs.15-20 per kg.

UVA/UDAPUSSELLAWAS



BOP's were dearer by Rs.5-10 per kg, whilst BOPF's were dearer by Rs.10-15 per kg.

CTC



BP1's were dearer by Rs.10-20 per kg. Better PF1's gained Rs.20-25 per kg. Others gained Rs.10-15 per kg.

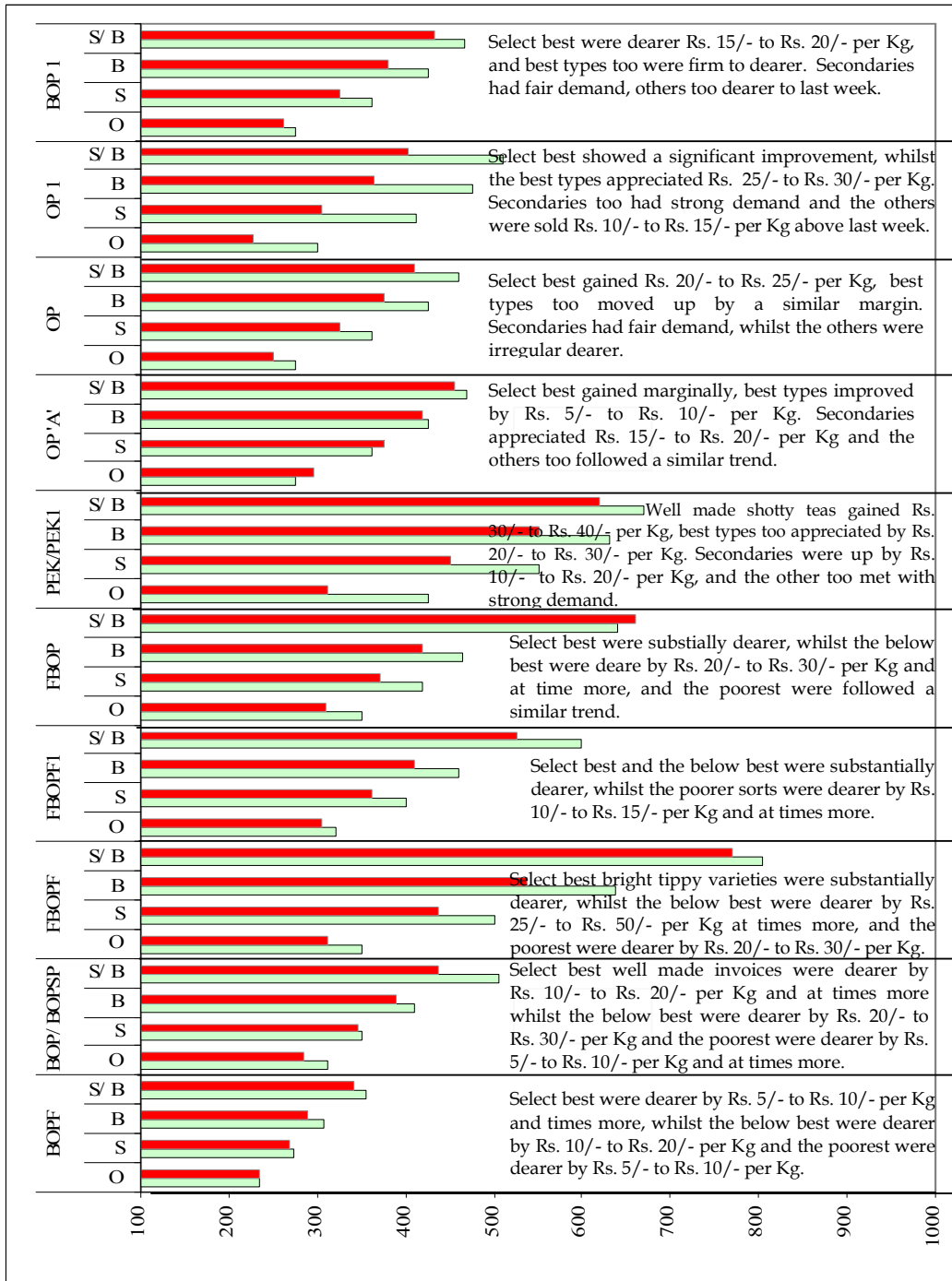
OFF GRADES:

Liquoring FGS/FGS1's were lower by Rs.10-15 per kg. Low grown cleaner BM's were met with fair demand, whilst the secondaries and the bottom types were lower by Rs.15-20 per kg and at times more.

DUST:

Select best primaries were lower by Rs.10-15 per kg. Better teas in the best and the below best gained Rs.5-15 per kg, whilst others declined by similar margin. Secondary Dust were firm. Poorer sorts declined. CTC were maintained. Low grown all round were firm to dearer by Rs.5 per kg.

WEEKLY AVERAGE PRICE OF LOW GROWNS



	This Week		Last Week	
S/ B	460	475	410	455
B	400	450	360	400
S	325	400	300	350
O	225	325	225	300

	This Week		Last Week	
S/ B	500	520	395	410
B	450	500	340	390
S	375	450	280	330
O	250	350	180	275

	This Week		Last Week	
S/ B	450	470	400	420
B	400	450	350	400
S	325	400	300	350
O	225	325	200	300

	This Week		Last Week	
S/ B	460	480	445	465
B	400	450	400	440
S	325	400	350	400
O	225	325	250	340

	This Week		Last Week	
S/ B	660	680	600	640
B	600	660	500	600
S	500	600	400	500
O	350	500	250	375

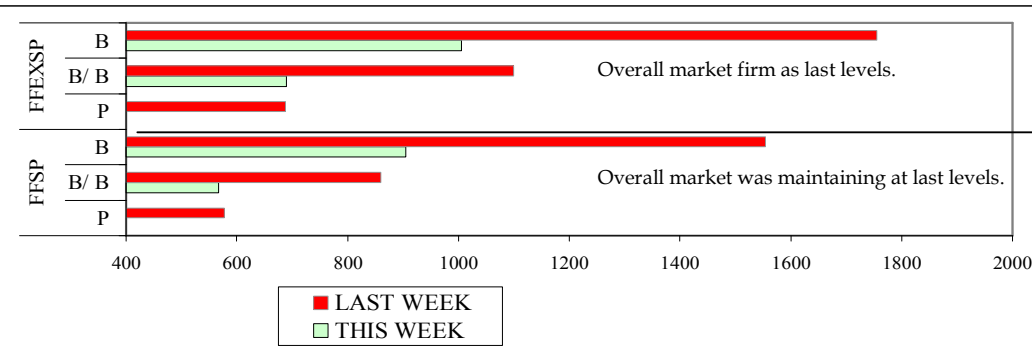
	This Week		Last week	
S/B	500	780	450	750
B	450	480	400	440
S	400	440	360	380
O	320	380	280	340

	This Week		Last Week	
S/ B	500	700	450	600
B	440	480	380	440
S	380	420	350	375
O	280	360	270	340

	This Week		Last Week	
S/ B	700	910	600	940
B	600	675	500	575
S	450	550	400	475
O	300	400	275	350

	This Week		Last Week	
S/ B	450	560	420	455
B	380	440	380	400
S	340	360	320	370
O	300	325	270	300

	This Week		Last Week	
S/ B	330	380	325	360
B	290	325	280	300
S	260	285	260	275
O	220	250	220	250



	This Week		Last Week	
B	1200	2530	1310	2200
S	810	1200	890	1310
O	570	810	485	890

	This Week		Last Week	
B	1110	1960	1000	2110
S	700	1110	720	1000
O	435	700	435	720

■ LAST WEEK
■ THIS WEEK

EYES ON THE PRICE

ATTRACTIVE PRICES IN OUR LOW GROWN CATALOGUE

Morawakkorale	BOP1	380.00	Imagira	BOP	455.00
Etambagahawila	BOP1	380.00	Rahankanda	BOPF	220.00
Liyonta	OP	415.00	Rajjuruwatte	FBOP	700.00
Rajjuruwatte	OP	415.00	Alagalla	FBOP1	420.00
Etambagahawila	OP1	415.00	Ganthuna	FBOP1	420.00
Etambagahawila	OPA	470.00	Karagoda	FBOPF	490.00
Dehigama	PEK	570.00	Morawakkorale	FBOPF1	480.00
Morawakkorale	PEK1	580.00	Raigam Korale Tea Shakthi	FBOPF1	480.00
			Lucky Dais	FBOPFS	445.00

HIGH & MEDIUM CATALOGUE

Cooroondoowatte	BOP1	335.00	Windsorforest	PEK1	530.00
Cooroondoowatte	BOPSP	445.00	Cooroondoowatte	FBOP	495.00
Carville	BOPF	230.00	Tinioya	FBOP1	420.00
Cooroondoowatte	OP	330.00	Tinioya	FBOPF	330.00
Pinnawala	OP1	345.00	Pettiagalla	FBOPF1	455.00
Cooroondoowatte	OPA	340.00	Windsorforest	FBOPF1	455.00
Tinioya	PEK	500.00			

SUPPLEMENTARY CATALOGUE

Walahanduwa	BOP	425.00	Lakwin	PEK1	465.00
Omrit	BOP1	330.00	Panawenna	FBOP	450.00
Hillview	BOPFSP	265.00	Hillview	FBOP1	380.00
Lakwin	OP	350.00	Karagoda	FBOPF	580.00
Carville	OP1	315.00	Hillview	FBOPF1	730.00
Modaragodakanda	OPA	355.00	Karagoda	FBOPFS	1310.00
Omrit	PEK	550.00	Morawakkorale	FBOPFEXS	1000.00

TOP PRICES IN (RS/KGS) - SALE 09TH /11TH MARCH 2009

WESTERN MEDIUM

Kenilworth	BOP	485.00
Dotel Oya	BOPSP	480.00
Vellai Oya	BOPF/BOPFSP	335.00
Imboolpitiya	FBOP/FBOP1	520.00
Craighead	FBOP/FBOP1	520.00
*Cooroondoowatte	PEK/PEK1	570.00
Hatale	PEK/PEK1	570.00
Rilagala	OP1	340.00
Ancoombra	BOP1	425.00
Kenilworth	OP/OPA	360.00
Rilagala	FBOPF/FBOPF1	510.00

WESTERN HIGH

Great Western	BOP	530.00
Brunswick	BOPSP	405.00
Moray	BOPF/BOPFSP	390.00
Brunswick	BOPF/BOPFSP	390.00
Diyaela	FBOP/FBOP1	500.00
Diyaela	PEK/PEK1	560.00
St. Andrews	PEK/PEK1	560.00

NUWARA ELIYAS

Mahagastotte	BOP	370.00
Mahagastotte	BOPF/BOPFSP	380.00
Tommagong	FBOP/FBOP1	400.00

UDAPUSSELLAWAS

High Forest	BOP	305.00
Ragalla	BOPF/BOPFSP	325.00
Gordon	FBOP/FBOP1	370.00
Gampaha	PEK/PEK1	500.00

LOW GROWNS

Arbour Valley	BOP	560.00
Kehelwela	BOPSP	540.00
Kehelwela	BOPF/BOPFSP	380.00
Fairyland	FBOP	780.00
Deranagala Hills	FBOP1	600.00
Co-Op Cola	FBOP1	600.00
Nawagamuwehena	FBOPF	910.00
Agilma	FBOPF1	700.00
Sunrise	FBOPF1	700.00
Brombil	FBOPFSP	1000.00
*Wijaya Group	FBOPFEXSP	1300.00
Hedigalla	FBOPFEXSP	1300.00
Arbour Valley	OP	470.00
Dullia Ella	OPA	485.00
Gunawardane	OP1	520.00
Cecilayan	BOP1	475.00
Yalta	PEK	630.00
Dellawa	PEK	630.00
Moraketiya Super	PEK1	680.00
Pothotuwa	PEK1	680.00
Wewelkandura	PEK1	680.00

UVA MEDIUM

Shawlands	BOP	390.00
*Tinioya	BOPSP	400.00
Elteb	BOPF/BOPFSP	325.00
Glen Aalpin	FBOP/FBOP1	530.00
T/S Keppetipola	PEK/PEK1	560.00
Meddakande	PEK/PEK1	560.00
Sarnia Plaiderie	PEK/PEK1	560.00
Pettiagalla	OP1	400.00
Adawatte	BOP1	475.00
Shawlands	OP/OPA	350.00
Pettiagalla	FBOPF/FBOPF1	485.00

UVA HIGH

Bandara Eliya	BOP	270.00
Templehurst	BOPSP	400.00
Nayabedde	BOPF/BOPFS	315.00
Glenanore	BOPF/BOPFS	315.00
Kellibedde	BOPF/BOPFS	315.00
Aislaby	BOPF/BOPFS	315.00
Uva Highlands	BOPF/BOPFS	315.00
Craig	PEK/PEK1	570.00
Oodoowerre	FBOP/FBOP1	485.00

UNORTHODOX

HIGH	PF1	BP1	BPS
Florence	335.00		340.00
Spring Valley		270.00	

MEDIUM	PF1	BP1	BPS
Delta	335.00		
Madukelle		300.00	
Carolina			275.00

LOW	PF1	BP1	BPS
Hingalgoda	365.00		
Kalubowitiyana	365.00		
Daduwangala	365.00		
Nelunwatta		345.00	

SUPPLEMENTARY

Wewelkandura	FBOPF	1010.00
Kanthisiri	FBOPF1	1400.00
Geekiyahena	FBOP	710.00
Mahaliyedda	FBOP1	1410.00
Rasota	FBOPFSP	1960.00
Ivy Hills	FBOPFEXSP	2530.00

DUSTS

Hingalgoda	PD	320.00
Laxapana	DUST 1	385.00

OFF GRADES

New Haughton	FGS1	310.00
Hingalgoda	PFGS	315.00

** Sold By Bartleet Produce Marketing (Pvt) Ltd / # All Time Record Price*

WEEKLY MARKET STATISTICS

QTY SOLD DURING THE PERIOD OF 02 ND TO 06 TH MARCH 2009 (IN KGS)				
	2009		2008	
	THIS WEEK	TODATE	WEEKLY	TODATE
PRIVATE SALES	198,498.50	2,461,925.50	1,249,883.50	8,202,339.08
PUBLIC AUCTION	4,281,723.00	48,325,742.00	4,859,757.00	49,334,486.60
DIRECT SALES	17,521.52	201,082.45	34,675.00	334,953.56
TOTAL	4,481,743.02	50,988,749.95	6,144,315.50	57,871,779.24
BMF(Excluded from Private Sales)	123,774.00	914,964.00	68,050.00	1,295,441.00
SALE NO: 09	ELEVATION – WISE STATISTICS, PUBLIC AUCTION QUANTITIES WEEKLY /TODATE SALE OF 04TH MARCH 2009			
(In Rupees per kg)	THIS WEEK	LAST YEAR	TODATE	LAST YEAR
UVA HIGH GROWN	283,585.00	300,585.00	2,835,966.00	2,946,930.00
WESTERN HIGH GROWN	820,349.00	757,869.00	7,674,025.00	7,527,774.00
HIGH TOTAL	1,103,934.00	1,058,454.00	10,509,991.00	10,474,674.00
UVA MEDIUM GROWN	239,767.00	243,571.00	2,771,600.00	2,764,473.00
WESTERN MEDIUM GROWN	395,574.00	419,237.00	4,791,686.00	4,612,987.60
MEDIUM TOTAL	635,341.00	662,808.00	7,563,286.00	7,377,460.60
LOW GROWN	2,542,448.00	3,138,495.00	30,252,465.00	31,482,352.00
ORTHODOX - LOW	2,471,772.00	3,066,222.00	29,484,047.00	30,718,575.00
CTC HIGH	83,900.00	49,301.00	779,266.00	525,116.00
CTC MEDIUM	101,001.00	87,027.00	1,187,783.00	888,872.00
CTC LOW	70,676.00	72,273.00	768,418.00	763,777.00
CEYLON BLACK TEA – CTC	255,577.00	208,601.00	2,735,467.00	2,177,765.00
TOTAL	4,281,723.00	4,859,757.00	48,325,742.00	49,334,486.60
SALE NO : 09	ELEVATION – WISE STATISTICS, PUBLIC AUCTION AVERAGES WEEKLY /TODATE SALE OF 04TH MARCH 2009			
(In Rupees per kg)	THIS WEEK	LAST YEAR	TODATE	LAST YEAR
UVA HIGH GROWN	240.48	299.52	224.63	296.09
WESTERN HIGH GROWN	271.79	314.99	272.35	323.58
HIGH TOTAL	263.75	310.60	259.47	315.85
UVA MEDIUM GROWN	291.37	305.47	253.54	300.62
WESTERN MEDIUM GROWN	280.85	305.57	251.86	293.43
MEDIUM TOTAL	284.82	305.53	252.47	296.12
LOW GROWN	362.43	349.01	307.68	341.67
ORTHODOX - LOW	364.03	347.95	307.08	340.56
CTC HIGH	260.67	313.81	250.29	318.35
CTC MEDIUM	240.84	311.70	234.19	303.78
CTC LOW	306.71	393.75	330.74	386.07
CEYLON BLACK TEA – CTC	265.57	340.62	265.90	336.15
TOTAL	325.47	334.71	288.56	329.37

FUTURE OFFERS & PROMPT DATES

		Sale No.11 Date 17 th / 18 th Mar 09'		Sale No.12 Date 24 th / 25 th Mar 09'	
Ex Estate		741	774,272.00	678	701,822.00
Main Sale	H & M	739	381,082.00	753	381,926.00
	Leafy	2250	1,011,488.00	2099	941,618.00
	Tippy	1361	800,196.00	1278	748,725.00
Off Grades		1441	942,228.00	1454	920,088.00
Dusts		535	542,335.00	423	408,920.00
Supplementary		286	51,677.00	313	56,598.00
TOTAL		7353	4,503,278.00	6998	4,159,697.00
Re-prints		1081	756,376.00	491	338,788.00
Buyer Prompt		24/03/2009		31/03/2009	
Seller Prompt		25/03/2009		01/04/2009	
Future Sales Catalogue Closing Dates					
	Sale No..13 31 st Mar /01 st Apr	Sale No..14 06 th /07 th Apr	Sale No..15 21 st /22 nd Apr	Sale No..16 27 th /28 th Apr	
Ex-Estate Sale	12/03/2009	19/03/2009	26/03/2009	02/04/2009	
Main Sale	13/03/2009	20/03/2009	27/03/2009	03/04/2009	

<u>Next Week Sale Order</u>		<u>Approximate Selling Time of our Catalogues</u>	
EX-ESTATE	MAIN SALE	CATAGORY	TIME & DATE
EASTERN BROKER	LANKA COMMODITY	H & M	10.40 a.m. 17/03
LANKA COMMODITY	CEYLON TEA BROKERS	LEAFY	04.30 p.m. 17/03
JOHN KEELLS	FORBES & WALKER	TIPPY	02.11 p.m. 17/03
MERCANTILE PRODUCE	MERCANTILE PRODUCE	OFF	11.29 a.m. 18/03
CEYLON TEA BROKERS	EASTERN BROKER	BOPIA	01.36 p.m. 18/03
ASIA SIYAKA	JOHN KEELLS	DUST	12.05 p.m. 18/03
BARTLEET PRODUCE	ASIA SIYAKA	SUPP	12.03 p.m. 17/03
FORBES & WALKER	BARTLEET PRODUCE	EX- ESTATE	10.22 a.m. 18/03

NATIONAL BROKERS LIMITED

Tea Auctioneers since 1948

TEA MARKET REPORT - Sale 44 Held on Wednesday 11th March, 2009

CTC LEAF: 10,319 packages and 15 packages of old season on offer again met with a strong demand at often dearer rates.

BROKENS: A nominal weight of clean Brokens were strongly competed for and generally sold at dearer rates and these could be quoted between Tk.135/- and Tk.140/-. Others were mostly firm. Plain varieties were generally firm.

FANNINGS: There was again a very small weight of clean Fannings on offer which met with a strong demand and were generally dearer by Tk.2/- to Tk.3/- and these could be quoted between Tk.138/- and Tk.142/-. Others were also a firm feature.

CTC DUST: 2,672 packages on offer met with a good demand at firm to slightly dearer rates. A few good liquoring types were strongly competed for and were dearer by Tk.5/- and more especially the CDs. Others sold at around last levels easing slightly in line with quality. Internal buyers lent a good support.

COMMENTS: In this pen-ultimate sale the offerings which mostly comprised of end of season types met with a strong demand at dearer rates. Blenders were selective but there was strong interest from the Loose tea buyers. There was less interest from Pakistan.

Good liquoring Dusts were a dearer market.

Quotations - This Week

Brokens	This Week	Last Week	Fannings	This week	Last Week	Dust	This week	Last Week
Large	115-125	110-120	Best	138-142 nom	137-142	PD	100	NQTA
Medium	110-128	112.-125	Good	129-134 nom	128-131	RD	65-125	60-134
Small	125-135	120-130	Medium	118-124	122-126	D	70-135	60-128
Plain	70-100	75-95	Plain	90-110	90-105	CD	80-170	70-184

Top Prices - This Week

CTC Category	Garden	Grade	Package	Price	Buyer
Brokens	Clevedon	GBOP	10	154/-	Kamona
Fannings	Clevedon	OF	10	154/-	Kalam
Clonal Brokens	* Kazi & Kazi	GBOP	10	163/-	HRC
Clonal Fannings	* Kazi & Kazi	PF	10	164/-	Karim
Clonal (PD/RD)	* Kazi & Kazi	RD	11	153/-	Tetley
PD/RD	Madhupur	RD	10	146/-	Kamona
CD	* Sathgao	CD	11	170/-	Rahmania/HRC

Offerings

Type	This week		Season 2007/2008		Next Week		Season 2007/2008	
	Package	Qty/Kg	Package	Qty/Kg	Package	Qty/Kg	Package	Qty/Kg
Leaf	10,334	546,912	10,216	539,171	3000	165,000	6,708	350,860
Dust	2,672	146,117	2,075	115,745	1,200	66,000	1,344	73,607
Total	13,006	693,029	12,291	654,916	4,200	231,000	8,052	424,467