

News Highlights.

- Farmers in Wayanad say that tea production is not remunerative for them as the production cost has almost doubled in recent times.
- According to sources at Tea Board, it is planning to bring small tea growers under single platform by formulating a single auction platform to facilitate the sale of produce.
- Global Tea output has increased slightly this calendar year in the first nine months following increase in output in Srilanka and Africa. In the first nine months of the calendar year 2014, production of tea has increased by 6.11 mkg to 254.59 mkg.
- The South Indian Tea Industry has asked for relief measures from the government amid falling tea prices.
- According to Tata Global Beverages, the green tea market in India is growing annually at around 50 per cent and is likely to be around Rs.400 crore by the end of 2014 -15.
- Jay Shree Tea and Industries Ltd. has reported around 34 per cent increase in net profit to approximately Rs.39 crores for the quarter ending September 30, 2014.
- The volume of tea to be offered at Sale No. 45 of Coonoor Tea Trade Association due to be held on Thursday and Friday declined by 4.31 lakh kg to 17.37 lakh kgs. compared to last week.
- With the prices of tea leaves declining, small tea growers in the state of West Bengal are having hand-to-mouth survival.
- According to Tea Board officials, Burundi's revenues from its tea exports declined 6 percent in the first nine months to September from the same period a year ago due to higher volumes of the commodity on the global market

Domestic Trade Scenario:

Indian Tea Auctions

Kolkata Tea Auction: Sale No: 44 (Price in Rs./kg)

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	155.75	19,63,000	16,46,000
ORTHODOX	178.98	4,34,000	3,95,000
DUST	159.88	9,22,000	7,58,000

(Source: CTTA, Parcon India)

Prices noticed mixed tone at Kolkata auction during the week. Quantity offered on sale increased during the week compared to previous week. In the CTC category, there was good demand for Cleaner/Liquoring varieties. Best/Good Assams and Dooars noticed firm tone during the week. Prices are likely to notice firm tone in the coming days.

Guwahati Tea Auction: Sale No: 44 (Price in Rs./kg)

Guwahati	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	135.86	33,34,000	27,22,000
Dust	139.98	15,64,000	11,61,000

(Source: CTTA, Parcon India)

Prices noticed mixed tone during the week. Quantity offered on sale increased during the week compared to previous week. There was good demand for Cleaner, Liquoring sorts and other varieties moved in line with quality. Secondary varieties noticed easy tone. Prices are likely to notice weak tone in the coming days.

Siliguri Tea Auction: Sale No: 43 (Price in Rs./kg)

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	115.62	4,92,155	3,32,240
CTC Leaf	127.18	36,02,797	28,62,212

(Source: CTTA, Parcon India)

Prices noticed firm tone during the week. Quantity offered on sale increased during the week compared to previous week. Best, Good and Better Medium Sorts noticed firm tone amid good

demand in the market. Buying from exporters and blenders lend support to the market. Prices are likely to notice range –bound to firm tone in the coming days.

Jalpaiguri Tea Auction: Sale No: 44 (Price in Rs./kg)

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	-	-	-
CTC Leaf	86.9	10873	5111

(Source: Jalpaiguri Tea Auction Committee)

Prices declined at Jalpaiguri auction during the week. Lack of availability of good quality tea weighed on prices. Sellers are not bringing much tea in the auction following implementation of VAT in the area. Prices are likely to decline in the coming days amid lack of availability of good quality tea.

Cochin Tea Auction: Sale No: 45 (Price in Rs./kg)

Cochin	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	89.80	1189023.40	879484.20
CTC Leaf	68.23	66021.00	43713.00
Orthodox Dust	78.25	13314.00	5873.00
Orthodox Leaf	127.51	160510.00	110563.00

(Source: Paramount Marketing, Coimbatore)

Prices noticed mixed tone at Kochi tea auction during the week. Quantity offered on sale declined during the week compared to previous week. There was not much demand for CTC Dust during the week. There was good demand from AVT, Tata Global, Kerala State Civil Supplies for Good Liquoring teas. Fannings and Bolder Leaf noticed range –bound to firm tone. Enquiry from upcountry buyers, Hindustan Unilever and exporters lent some support to the market. Prices are likely to notice range –bound to weak tone in the near -term.

Coimbatore Tea Auction: Sale No: 45 (Price in Rs./kg)

Coimbatore	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	76.39	224261.00	175219.00
CTC Leaf	72.21	147746.00	119699.00
Orthodox Dust	66.05	20948.00	8935.00
Orthodox Leaf	74.76	6956.00	1546.00

(Source: Paramount Marketing, Coimbatore)

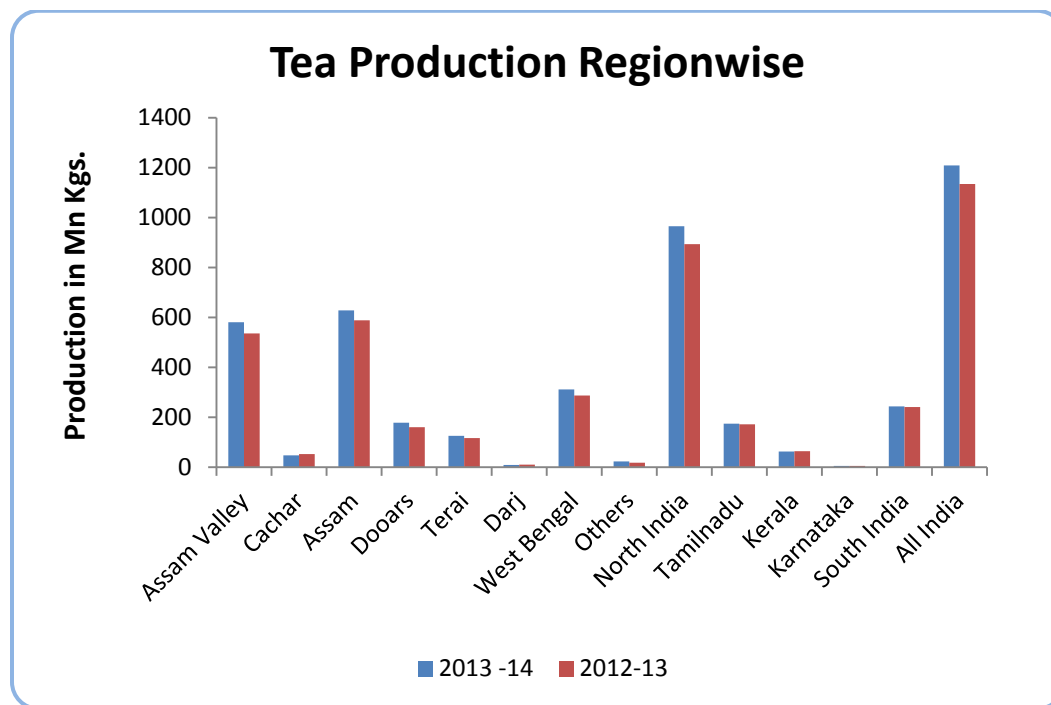
Prices noticed mixed tone during the week. There was good demand for Niligiri and Nilgiris Broken variety. Demand from the exporters lent some support to the market. Prices are likely to notice steady to weak tone in the coming days.

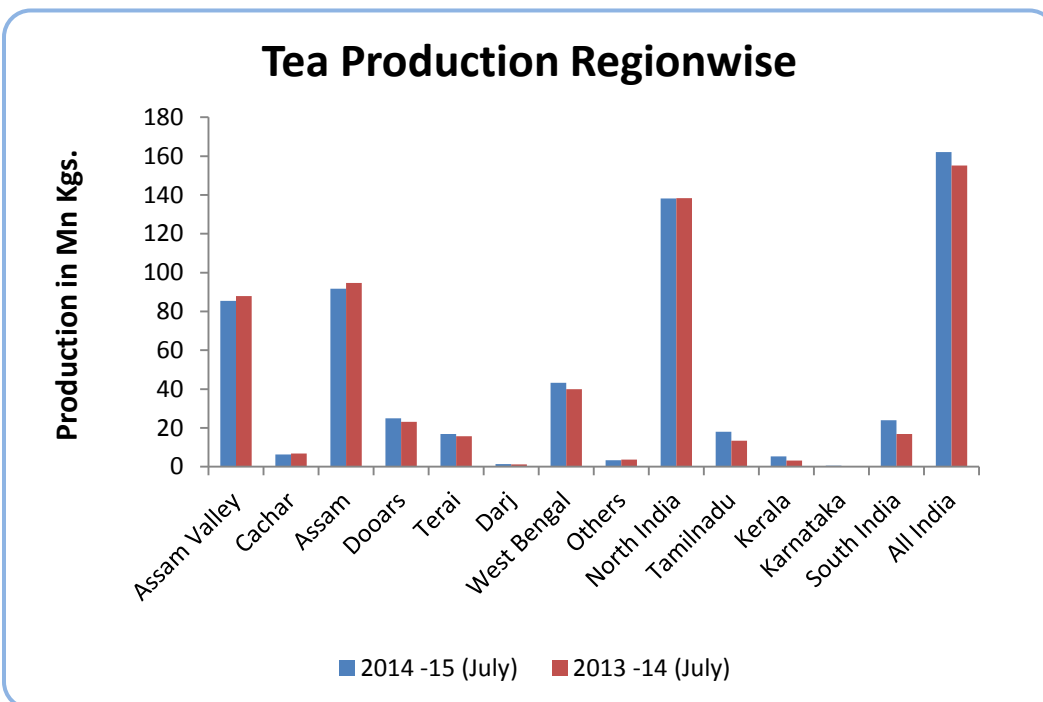
Coonoor Tea Auction: Sale No: 45 (Price in Rs./kg)

Coonoor	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	63.84	438311.00	261415.50
CTC Leaf	60.95	1015116.00	737772.00
Orthodox Dust	91.84	56963.00	35634.00
Orthodox Leaf	84.33	39317.00	27857.60

(Source: Paramount Marketing, Coimbatore)

Prices noticed firm tone during the week except CTC Dust variety. Quantity offered on sale declined during the week compared to previous week. Demand for good quality tea lent support to the market. Prices are likely to notice firm tone in the near –term.





(Source: Tea Board)

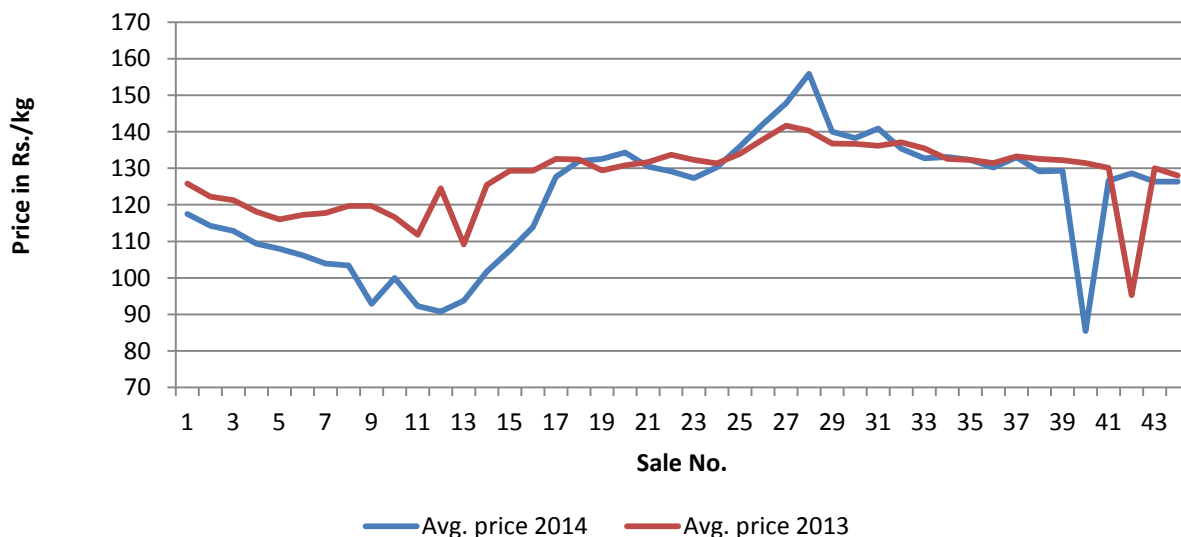
The above graph shows production comparison region wise during the last two years and in the month of May in comparison with previous year. In the year 2014 (Apr –Mar), production increased by 6.5% to 1208.78 million kgs mainly on account of increase in production in Assam. In the current year in the month of May, production of tea in India declined by 11.8% to 91.41 million kgs. in comparison with the same period last year following lack of suitable temperature and rainfall in north India.

REGIONWISE QUARTERLY EXPORTS (IN MILLION KGS.)

	NORTH INDIA			SOUTH INDIA			ALL INDIA		
	2014 (E)	2013	+/-	2014(E)	2013	+/-	2014(E)	2013	+/-
JAN – MAR	35.87	30.67	+5.20	23.53	22.03	+1.50	59.40	52.70	+6.70
APR – JUN	17.36	17.16	+0.20	17.77	18.72	-0.95	35.13	35.88	-0.75
JAN - JUN	53.23	47.83	+5.40	41.30	40.75	+0.55	94.53	88.58	+5.95

Source: Tea Board Of India

Salewise Price of All Tea at All India



The above graph shows the price comparison of All Tea at All India in 2013 and 2014. During the early part of the year (2014) in March and April, prices remained lower compared to previous year amid lack of export inquiry in the market and quality is not up to the mark at this time of the year. Currently the average prices of all tea are lower compared to previous year amid lack of availability of demand in the market. Prices have increased during the week compared to previous week.

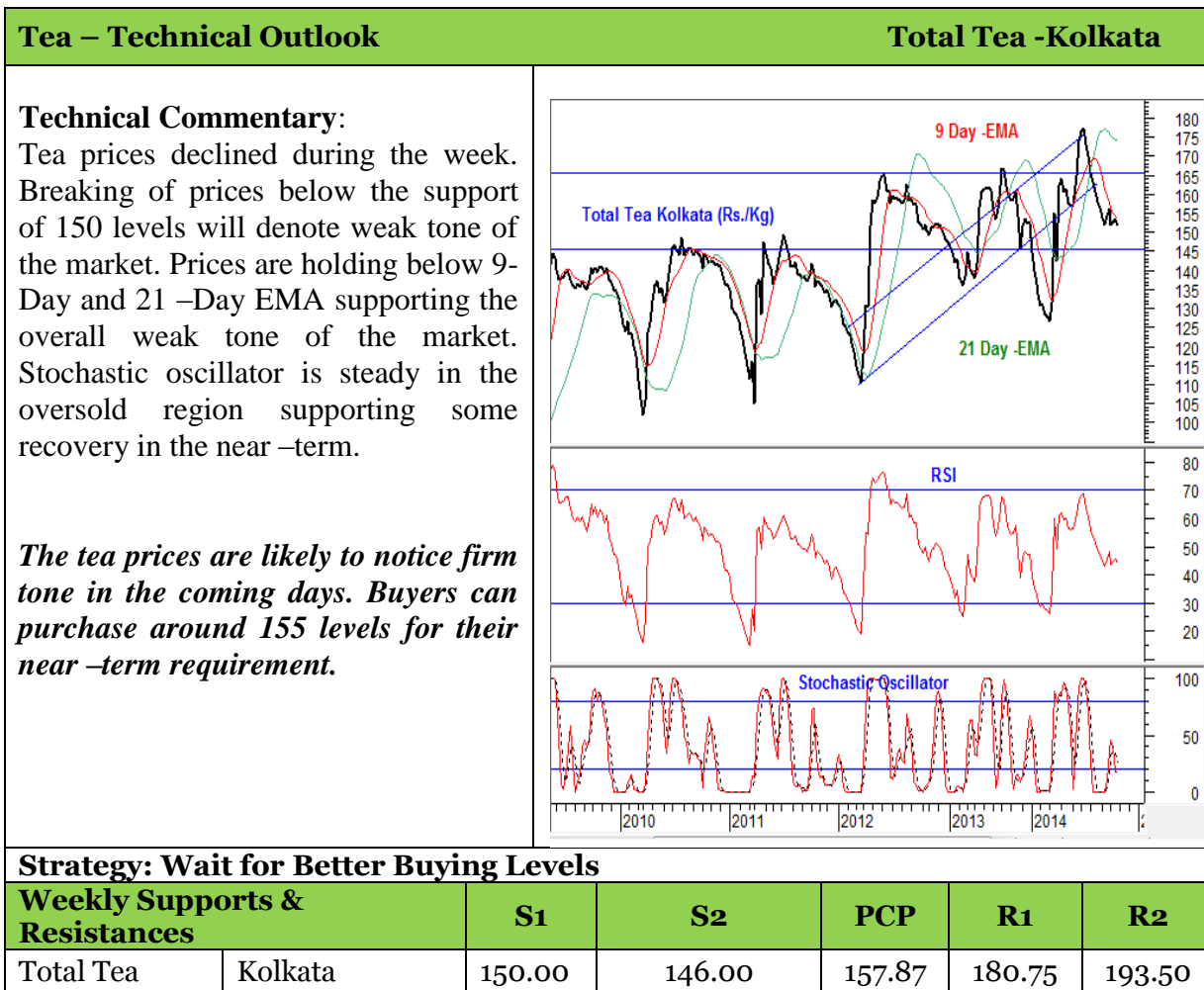
Weekly Average Prices at Indian Auction Centers for week ending 2014-11-08

Varie ty	Kolkata	Guwahati	Siliguri	Jalpaiguri	Cochin	Coonoor	Coimbatore	Tea Serve
CTC All Dust	153.01(14 5.11)	136.56(130. 12)	126.01(1 17.66)	99.34(85.00)	88.88(10 9.59)	63.44(73.6 9)	74.76(NS)	50.72(75.4 8)
Total Tea	157.87(15 3.98)	136.54(130. 49)	126.01(1 17.66)	99.34(85.00)	93.87(11 2.25)	63.81(74.6 2)	74.67(NS)	50.72(75.4 8)

(Figure in brackets denote prices during the same corresponding period in the previous year)

Variety	North India	South India	All India
CTC All Dust	138.53(131.79)	71.52(89.36)	124.06(124.06)
Total Tea	140.90(136.04)	74.14(91.62)	126.39(127.99)

(Source: Tea Board)



International Trade Scenario:

Srilanka Tea Auction (Colombo): Sale No: 43 (Price in Srilankan Rs./kg)

	BOP	BOPF
Good Westerns	470 - 575	470 - 600
Average Westerns	440 - 460	430 - 460
Plainer Westerns	405 - 430	385 - 420
Western Mediums	400 - 590	350 - 480
Uva Teas	350 - 500	370 - 460
Nuwara Eliya Teas	470 - 500	460 - 490
Udapussellawa Teas	400 - 460	380 - 420
CTC (BP1 and PF1)	310 - 480	380 - 700

In this week's auction, 7.37 million kgs of tea was offered for sale compared to 6.97 million kgs of tea during the previous week. There was not much demand for Select Best teas during the week. Better western BOP's noticed firm tone and BOPF's noticed easy tone during the week. High Grown and Mid Grown CTC's noticed weak tone and Low Grown CTC's noticed easy tone during the week. There was less demand for liquoring leafy teas.

In the leaf category, Better PEK/PEK1's and a few bolder types noticed less demand. In the Tippy catalogues, better made FBOP noticed easy tone and FF1's noticed steady tone during the week. The below best and plainer variety noticed firm tone during the week. There was selective buying from Middle –East and Russia.

DETAILS OF TEAS AWAITING SALE

AUCTION NO.	45		44		43	
Dates	18 th /19 th November 2014		11 th /12 th November 2014		03 rd /04 th November 2014	
	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs
Ex Estate	773	928,455 kg	833	993,633 kg	905	1,087,635 kg
Main Sale Total	11,015	5,799,204 kg	11,191	5,865,473 kg	11,825	6,287,510 kg
High & Medium	1,250	661,675 kg	1,339	697,834 kg	1,377	725,930 kg
Low Grown Leafy	4,276	2,001,829 kg	4,336	2,059,748 kg	4,497	2,170,806 kg
	2,513	1,461,565 kg	2,460	1,422,299 kg	2,580	1,481,411 kg
Tippy						
Premium/Flowery	565	141,599 kg	532	128,258 kg	490	119,633 kg
Off Grades	1,949	1,085,553 kg	2,076	1,137,709 kg	2,362	1,296,614 kg
Dust	462	446,983 kg	448	419,625 kg	519	493,116 kg
Grand Total	11,788	6,727,659 kg	12,024	6,859,106 kg	12,730	7,375,145 kg
Reprints	1,207	650,754 kg	1,360	703,403 kg	1,248	672,234 kg
Scheduled to Close (Ex)		30.10.14		23.10.14		16.10.14
Dates (Ms)		31.10.14		24.10.14		17.10.14

Scheduled Closing Dates

Auction No. 44 : 11th/12th Nov. 2014

Ex Estate : 23.10.2014

Main Sale : 24.10.2014

Auction No. 46 : 25th /26th Nov. 2014

Ex Estate : 07.11.2014

Main Sale : 07.11.2014

Auction No. 45 : 18th/19th Nov. 2014

Ex Estate : 30.10.2014

Main Sale : 31.10.2014

Auction No. 47 : 02ND / 03RD Dec. 2014

Ex Estate : 13.11.2014

Main Sale : 14.11.2014

(Source: John Keells Tea Brokers)

Kenya Tea Auction (Mombasa): Sale No: 43

(In Srilankan Rupees)

QUOTATIONS	BROKENS	FANNINGS
Best	264 - 449	320 -370
Good	251 – 312	320 – 326
Good Medium	251 – 304	310 – 333
Medium	185 – 296	267 – 316
Lower Medium	137 – 224	172 – 264
Plain	113 - 161	125 - 193

During the week fairly good demand noticed for 9,610,708 kilos of tea on offer. Brighter DUST1s were steady to USC16 easier with mediums USC2 to USC7 lower and prices of lower mediums were USC2 to USC10 lower during the week. Prices of Brighter BP1's noticed easy tone and were USC4 to USC26 lower, prices of mediums were USC2 to USC7 lower and prices of lower mediums were steady to USC14 lower. Other varieties like Brighter Pdusts, Lower Medium PF1's noticed mixed tone during the week.

In the secondary catalogues, BPs noticed easy tone and PF's noticed easy tone during the week. Well sorted clean coloury Fannings noticed firm tone and Dusts prices noticed easy tone during the week. Other Fannings and BMF's noticed weak tone. There was good buying interest from Sudan and Pakistan Packers. There was less demand from Yemen, other Middle –Eastern countries, Kazakhstan, other CIS countries and Russia. UK and Iran was less active during the week.

(Source: Africa Tea Brokers)

Indonesia Tea Auction (Jakarta): Sale No: 42

Orthodox	OFFERED		SOLD		%
PTPN ESTATE	11.720	635.840 Kg	7.400	400.900 Kg	63.05
PRIVATE ESTATE	---	--- Kg	---	--- Kg	--,--
TOTAL	11.720	635.840 Kg	7.400	400.900 Kg	63.05
C.T.C	OFFERED		SOLD		%
PTPN ESTATE	2.500	145.180 Kg	1.960	112.840Kg	77.72
PRIVATE ESTATE	---	---- Kg	---	--- Kg	--,--
TOTAL	2.500	145.180 Kg	1.960	112.840 Kg	77.72
TOTAL	14.220	781.020 Kg	9.360	513.740 Kg	65.78

(Prices in US cents/kg)

Orthodox First Grades						
BOP.I	BOP	BOPF	PF	DUST	BT	BP
168-170	119-190	119-122	118-192	123-190	112-146	242-302

Orthodox Secondary Grades				
PF.II	DUST.II	BT.II	BP.II	DUST.III
111-177	121-130	112-133	162-268	115-116

CTC First and Secondary Grades						
BP.1	PF.1	PD	D.1	FANN	D.2	D.3
135-163	164-183	167-198	150-219	125-140	154-184	---

Market offerings declined to 14,220 paper sacks from 19,220 paper sacks. There was fair demand in the market around current levels. Average price declined to USDcts 156.46 instead of USDcts 155.91 during last week's auction. Average price of Orthodox variety increased to USDcts 154.87 and average price of CTC declined to USDcts 161.87. Secondary variety and Fannings noticed easy tone. Quantity sold increased to 65.78% during the period compared to 52.71% during last auction.

OFFERING FOR THE NEXT AUCTION

PRODUCER	Orthodox		C.T.C	
	05/11/14	12/11/14	05/11/14	12/11/14
PTPN. IV	1.960 S	1.500 S	-	-
PTPN. VI	420 S	720 S	1.000 S	740 S
PTPN. VII	1.580 S	2.400 S	- S	- S
PTPN. VIII	7.020 S	7.680 S	480 S	580 S
PTPN. IX	520 S	560 S	-	-
PTPN. XII	- S	- S	420 S	300 S
Total Estate	11.500 S	12.860 S	1.900 S	1.620 S
Pagilaran	- S	- S	- S	- S
Total Private	- S	- S	- S	- S
Grand Total	11.500 S	12.860 S	1.900 S	1.620 S

(Source: TEH)

Bangladesh Tea Auction (Chittagong): Sale No: 24

(In US\$/kg)

BROKENS	QUOTATIONS	FANNINGS	QUOTATIONS
Large/Bold	NQTA	Best	190-195
Medium	175-185	Good	182-185
Small	182-190	Medium	175-180
Plain	100-112	Plain	100-130

Tea prices at Bangladesh tea auction declined during the week amid higher supplies in the market. Demand for quality leaf lent some support to the market. The average price of tea during this week's auction was around USD 2.34/kg. Around 2.80 million kgs of tea was offered for sale and nearly 23 percent remained unsold.

There was good demand from blenders and some buying interest from loose tea buyers. 42,587 packages and 256 packages CTC Leaf of previous season noticed good demand. 6,034 packages and 633 packages of teas of old season on offer of CTC Dust noticed good demand around lower levels. In CTC Dust, good liquoring varieties were firm and medium levels noticed easy tone. Good liquoring Broken varieties noticed demand around lower levels. Good liquoring varieties in fannings also noticed withdrawals during the week. Good liquoring Dusts noticed firm tone during the week.

(Source: National Brokers Limited)

WORLD CROP STATISTICS IN (Mn/kgs)

<u>Country</u>	<u>MONTH</u>	<u>2014</u>	<u>2013</u>	<u>CUMULATIVE</u>	<u>2014</u>	<u>2013</u>	<u>CUMULATIVE</u> <u>+ INC./-DEC.</u>
Sri Lanka	Sept.	28.8	25.1	Up to Sept.	255.7	248.4	+ 7.3
North India	August	145.20	140.8	Up to August	543.7	561.50	- 17.8
South India	August	13.9	14.7	Up to August	158.4	147.9	+ 10.5
Kenya	Sept.	33.3	32.8	Up to Sept.	316.0	310.9	+ 5.1
Bangladesh	Sept.	9.0	9.3	Up to Sept.	44.5	44.1	+ 0.4
Malawi	Sept.	2.7	2.7	Up to Sept.	40.6	36.4	+ 4.2

(Source: John Keells Tea Brokers)

World tea production has been increasing over the years. With more medicinal value of tea being highlighted, the consumption is set to increase in the coming years. However in the current year till May, production has declined in the major countries except Bangladesh and Malawi. According to Indian Tea Association, consumption of tea is increasing at an annual rate of 3 per cent. In the current financial year in India, production of tea has been affected in the months of April and May in North India following lack of suitable temperature and rainfall in the growing regions.

Currency	08-11-2014	01-11-2014
USD	61.41	61.48
Srilankan Rupee	0.4691	0.4701
Indonesian Rupiah	0.0051	0.0051
Kenyan Shilling	0.6840	0.6881
Bangladeshi Taka	0.7942	0.7953

Overall Outlook and Recommendation:

In the domestic market, prices noticed range –bound to firm tone during the week. The quality of tea arriving in the market is improving. There is good demand for quality tea in the market. Quantity offered on sale declined during the week compared to previous week. Prices are likely to notice firm tone in the coming days.

In the global market, prices noticed weak tone during the period. There was not much demand in the market around current levels. Future offering of tea is likely to decline in Srilankan tea auction. Weather is supportive for tea in the major growing regions. Prices are likely to decline in the coming days.

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