

News Highlights.

- According to the report published in ABC's online magazine Herbal Gram, sales of loose, bagged, concentrated and herbal tea touched \$1.8 billion in the US in 2013. It increased by 5.9% in comparison with 2012.
- Tea Bushes along the rolling hills of Nandi County have been source of livelihood for small –scale farmers from a long time. However there has been a glut in the market during the recent times amid favourable weather and bigger harvests and prices have been declining. Tea farmers currently earn around 40 per cent less compared to 1980 and are planning to uproot tea plants. Tea is the major export earner for Kenyan economy.
- According to McLeod Russel, the world's biggest tea grower, rebound in profit growth is expected in India from a three –year slump amid declining output and stockpiles in the domestic market.
- The United Planters' Association of Southern India has asked the government for the removal of several levies imposed on tea plantations at a recent meeting of the association members. This is to save the sector that gives livelihood to 3.65 lakh workers and 70,000 small growers in south India alone.
- Ilam' orthodox tea output in Nepal is expected to decline to 2500 tonnes from 3500 tonnes during the previous year. According to farmers, inadequate rainfall during the main season of green tea leaves has affected production. As a result of lower production, exports are likely to decline in the current year.

Domestic Trade Scenario:
Indian Tea Auctions
Kolkata Tea Auction: Sale No: 47 (Price in Rs./kg)

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	163.35	28,02,504	24,73,255
ORTHODOX	176.62	5,51,910	4,49,329
DARJEELING	248.33	1,18,487	65,930
DUST	167.29	13,62,626	12,11,826

(Source: CTTA, Parcon India)

Prices noticed firm tone at Kolkata tea auction during the week. Quantity offered on sale increased for CTC and Dust variety during the week compared to previous week. Enquiry from exporters added to the positive tone of the market. There is demand for good quality tea arriving in the market. Best/Good Assams and Dooars noticed good demand from exporters and internal buyers in the market. Prices are likely to notice firm tone in the coming days.

Guwahati Tea Auction: Sale No: 47 (Price in Rs./kg)

Guwahati	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	133.58	40,82,123	32,55,328
Dust	139.00	15,44,923	13,07,459

(Source: CTTA, Parcon India)

Prices noticed mixed tone during the week. Quantity offered on sale declined during the week compared to previous week. There was good demand for Cleaner and Liquoring sorts in the market. There was not much demand in the market around current levels. Withdrawals were noticed in secondary varieties. Prices are likely to notice range –bound to firm tone in the near - term.

Siliguri Tea Auction: Sale No: 47 (Price in Rs./kg)

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	117.40	4,75,248	4,16,419
CTC Leaf	122.93	37,05,219	29,83,067

(Source: CTTA, Parcon India)

Prices noticed weak tone during the week. Quantity offered on sale declined during the week compared to previous week. Demand for Best, Good and Better Medium sorts lent some support to the market. Lack of demand from internal buyers added to the weak tone of the market. Prices are likely to notice range –bound to weak tone in the coming days.

Jalpaiguri Tea Auction: Sale No: 47 (Price in Rs./kg)

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

(Source: Jalpaiguri Tea Auction Committee)

There was no auction at Jalpaiguri during the week.

Cochin Tea Auction: Sale No: 48 (Price in Rs./kg)

Cochin	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	91.37	1164967.10	1047090.00
CTC Leaf	69.31	63940.00	47637.00
Orthodox Dust	74.97	16814.00	11372.00
Orthodox Leaf	122.31	157090.00	115709.00

(Source: Paramount Marketing, Coimbatore)

Prices noticed firm tone during the week. Quantity offered on sale declined during the week compared to previous week. There was good demand for CTC and Orthodox variety tea around current levels. Enquiry from exporters added to the positive tone of the market. There was buying support from AVT, Tata Global and Kerala State Civil Supplies. There was good demand for Good Liquoring teas. Prices are likely to notice firm tone in the near –term.

Coimbatore Tea Auction: Sale No: 48 (Price in Rs./kg)

Coimbatore	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	76.16	283061.00	273049.00
CTC Leaf	68.12	159621.00	136054.00
Orthodox Dust	69.21	16499.00	8281.00
Orthodox Leaf	75.11	10942.00	7728.00

(Source: Paramount Marketing, Coimbatore)

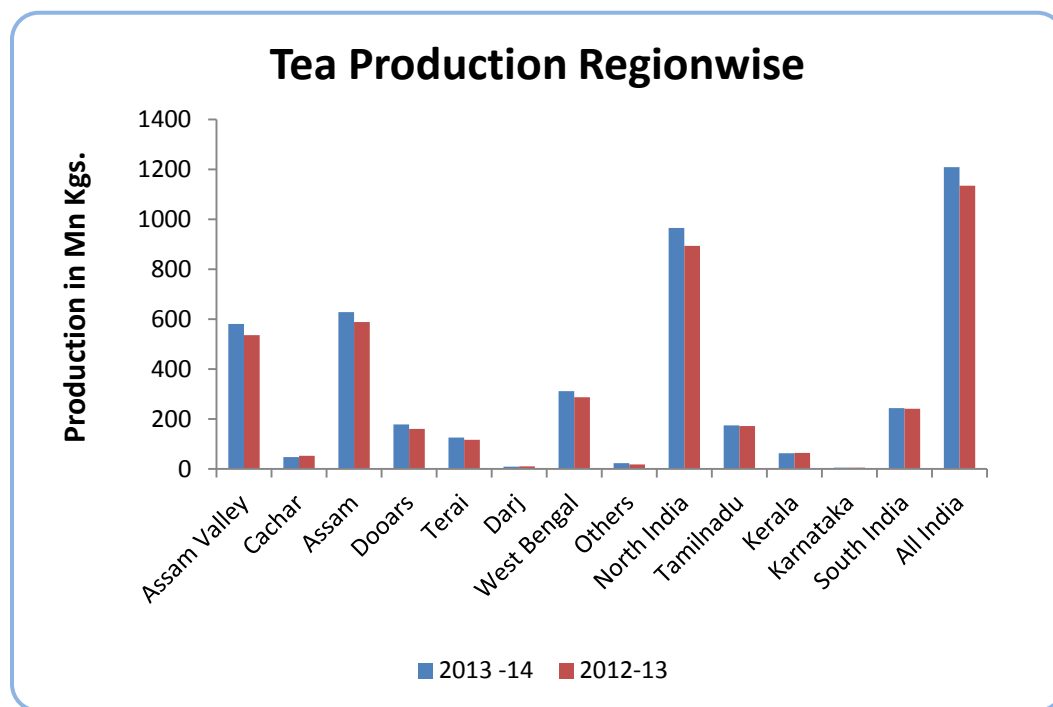
Prices noticed range –bound to firm tone during the week. Quantity offered on sale increased during the week compared to previous week. There was some demand for Nilgiri Brokens from internal buyers in the market. Lack of demand for CTC Leaf variety weighed on the market to certain extent. Prices are likely to notice range –bound to firm tone in the coming days.

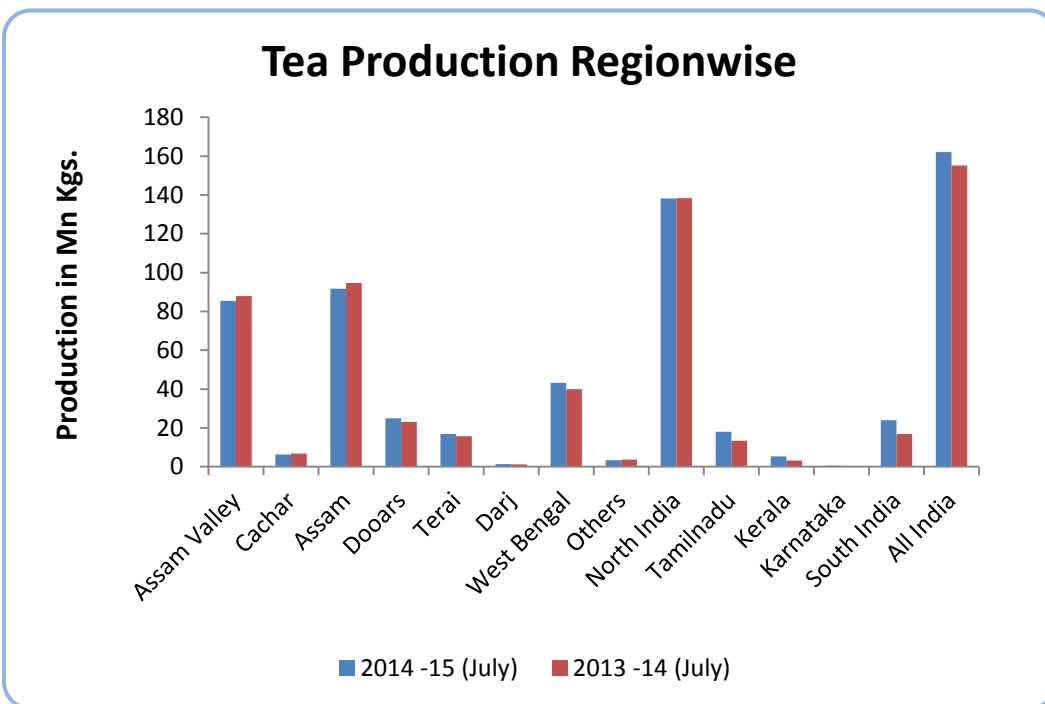
Coonoor Tea Auction: Sale No: 48 (Price in Rs./kg)

Coonoor	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	63.75	471236.00	370195.00
CTC Leaf	60.39	1070005.00	772383.00
Orthodox Dust	91.37	52225.00	33164.00
Orthodox Leaf	82.30	66193.20	62057.40

(Source: Paramount Marketing, Coimbatore)

Prices continued positive tone during the week. Quantity offered on sale increased during the week compared to previous week. Good demand from loose tea buyers lent support to the market. Arrival of good quality tea will lent support to the market. Prices are likely to notice firm tone in the near –term.





(Source: Tea Board)

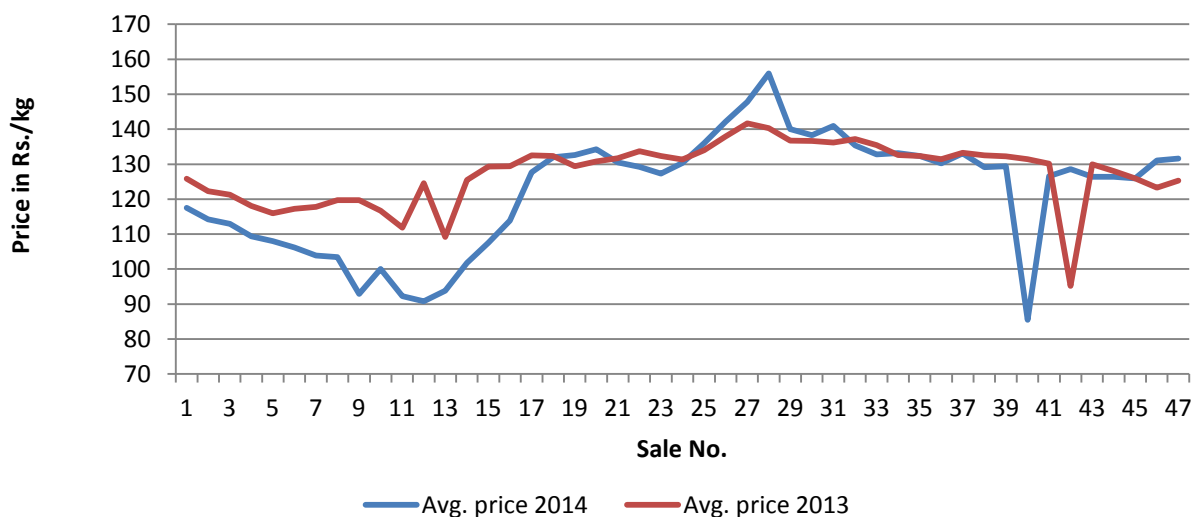
The above graph shows production comparison region wise during the last two years and in the month of May in comparison with previous year. In the year 2014 (Apr –Mar), production increased by 6.5% to 1208.78 million kgs mainly on account of increase in production in Assam. In the current year in the 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 good quality tea in the market. Prices have declined during the week compared to previous week.

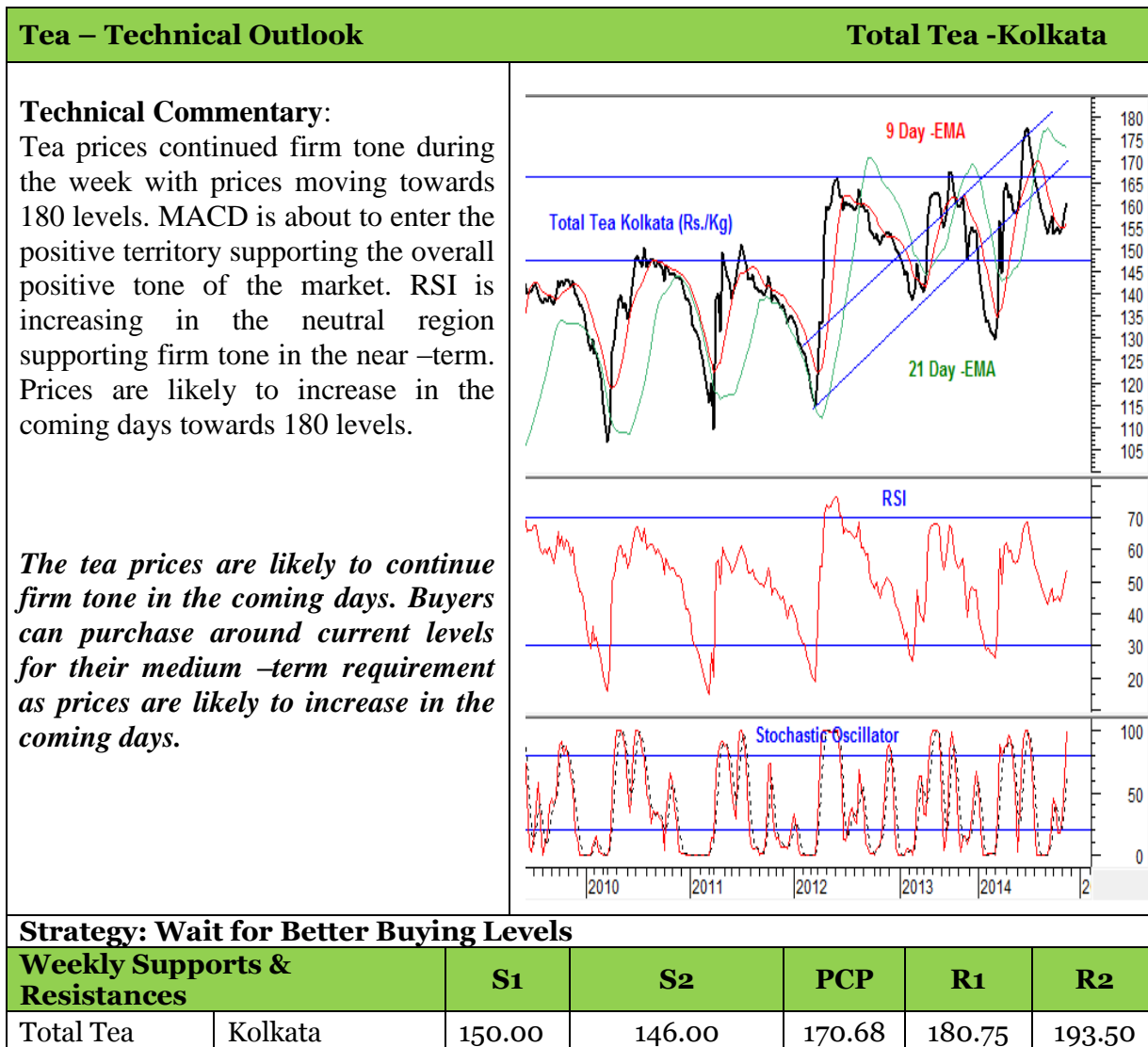
Weekly Average Prices at Indian Auction Centers for week ending 2014-11-122

Variety	Kolkata	Guwahati	Siliguri	Jalpaiguri	Cochin	Coonoor	Coimbatore	Tea Serve
CTC All Dust	164.80(146.15)	135.27(126.04)	128.12(126.57)	NS(NS)	86.00(103.56)	61.42(76.15)	73.09(84.36)	49.34(80.37)
Total Tea	170.68(153.56)	135.28(126.28)	128.12(126.57)	NS(NS)	89.78(107.75)	61.96(76.78)	73.11(84.38)	49.34(80.97)

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

Variety	North India	South India	All India
CTC All Dust	142.51(133.21)	70.89(85.20)	127.86(121.38)
Total Tea	146.36(137.28)	73.07(87.15)	131.62(125.29)

(Source: Tea Board)



International Trade Scenario:
Srilanka Tea Auction (Colombo): Sale No: 46 (Price in Srilankan Rs./kg)

	BOP	BOPF
Good Westerns	470 - 570	470 - 610
Average Westerns	420 - 460	420 - 460
Plainer Westerns	400 - 410	380 - 410
Western Mediums	405 - 600	370 - 425
Uva Teas	405 - 460	370 - 510
Nuwara Eliya Teas	420 - 500	470 - 520
Udapussellawa Teas	400 - 450	380 - 450
CTC (BP1 and PF1)	405 - 480	380 - 720

In this week's auction, 7.003 million kgs of tea was offered for sale compared to 6.73 million kgs of tea during the previous week. There was good demand for Select Best teas during the week. Better western BOP's and BOPF's noticed firm tone during the week amid good buying interest. High Grown and Mid Grown CTC's noticed mixed tone and Low Grown CTC's noticed firm tone during the week. There was good demand for liquoring leafy teas.

In the leaf category, Better PEK/PEK1's and a few bolder types noticed firm tone. In the Tippy catalogues, better made FBOP noticed firm 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 Turkey and Syria. There was active buying from Russia, Iran and CIS buyers.

DETAILS OF TEAS AWAITING SALE

	48		47		46	
AUCTION NO.						
Dates	09 th /10 th December 2014		02 nd /03 rd December 2014		25 th /26 th November 2014	
	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs
Ex Estate	969	1,170,450 kg	937	1,123,824 kg	934	1,126,554 kg
Main Sale Total	11,444	6,232,619 kg	11,196	6,062,559 kg	10,974	5,877,156 kg
High & Medium	1,371	744,269 kg	1,364	735,661 kg	1,310	694,105 kg
Low Growns Leafy	4,083	1,932,409 kg	4,153	1,982,018 kg	4,231	2,028,898 kg
	2,664	1,617,680 kg	2,503	1,512,758 kg	2,641	1,561,633 kg
Tippy						
Premium/Flowery	574	138,954 kg	470	119,275 kg	597	149,776 kg
Off Grades	2,181	1,229,939 kg	2,167	1,196,595 kg	1,703	961,966 kg
Dust	571	569,368 kg	539	516,252 kg	492	480,778 kg
Grand Total	12,413	7,403,069 kg	12,133	7,186,383 kg	11,908	7,003,710 kg
Reprints	698	351,477 kg	849	425,325 kg	1,325	799,506 kg
Scheduled to Close (Ex)		20.11.14		13.11.14		07.11.14
Dates (Ms)		21.11.14		14.11.14		07.11.14

Scheduled Closing Dates

Auction No. 47 : 02nd/03rd Dec. 2014

Ex Estate : 13.11.2014

Main Sale : 14.11.2014

Auction No. 49 : 15th/16th Dec. 2014

Ex Estate : 27.11.2014

Main Sale : 28.11.2014

Auction No. 48 : 09th/10th Dec. 2014

Ex Estate : 20.11.2014

Main Sale : 21.11.2014

Auction No. 50 : 30th/31st Dec. 2014

Ex Estate : 04.12.2014

Main Sale : 05.12.2014

(Source: John Keells Tea Brokers)

Kenya Tea Auction (Mombasa): Sale No: 46

(In Srilankan Rupees)

QUOTATIONS	BROKENS	FANNINGS
Best	305 - 384	331 -407
Good	245 – 323	323 – 342
Good Medium	265 – 350	309 – 344
Medium	172 – 283	238 – 318
Lower Medium	132 – 209	172 – 267
Plain	103 - 173	114 - 225

During the week good demand noticed for 10,643,821 kilos of tea on offer. Brighter DUST1s were up to USC4 easier with mediums firm to USC10 lower and prices of lower mediums were up to USC8 lower during the week. Prices of Brighter BP1's noticed mixed tone and were USC2 to USC12 lower, prices of mediums were firm to USC12 lower and prices of lower mediums were steady to USC10 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 firm tone during the week. Well sorted clean coloury Fannings noticed firm tone and Dusts prices noticed steady tone during the week. Other Fannings and BMF's noticed steady tone. There was good buying interest from Egyptian packers, Afghanistan, Bazaar, other CIS countries and Pakistan Packers. There was less demand from Yemen, other Middle –Eastern countries, Kazakhstan and Russia. There was some buying support from Somalia.

(Source: Africa Tea Brokers)

Indonesia Tea Auction (Jakarta): Sale No: 46

Orthodox	OFFERED		SOLD		%
PTPN ESTATE	10.820	580.200 Kg	7.440	393.620 Kg	67.84
PRIVATE ESTATE	---	--- Kg	---	--- Kg	--,--
TOTAL	10.820	580.200 Kg	7.440	393.620 Kg	67.84
C.T.C	OFFERED		SOLD		%
PTPN ESTATE	2.580	148.700 Kg	1.860	105.360 Kg	70.85
PRIVATE ESTATE	---	--- Kg	---	--- Kg	--,--
TOTAL	2.580	148.700 Kg	1.860	105.360 Kg	70.85
TOTAL	13.400	728.900 Kg	9.300	498.980 Kg	68.46

(Prices in US cents/kg)

Orthodox First Grades						
BOP.I	BOP	BOPF	PF	DUST	BT	BP
157-182	115-172	115-159	109-210	117-192	101-148	242-312

Orthodox Secondary Grades				
PF.II	DUST.II	BT.II	BP.II	DUST.III
105-170	108-123	102-135	144-173	110-132

CTC First and Secondary Grades						
BP.1	PF.1	PD	D.1	FANN	D.2	D.3
140-169	158-200	150-182	142-205	120-200	148-182	---

Market offerings increased to 13,400 paper sacks from 12,300 paper sacks. There was fair demand in the market around current levels. Average price increased to USDcts 152.81 instead of USDcts 150.99 during last week's auction. Average price of Orthodox variety increased to USDcts 150.97 and average price of CTC declined to USDcts 159.29. Secondary variety and Fannings noticed easy tone. Quantity sold declined to 68.46% during the period compared to 76.89% during last auction.

OFFERING FOR THE NEXT AUCTION

PRODUCER	Orthodox		C.T.C	
	03/12/14	10/12/14	03/12/14	10/12/14
PTPN. IV	1.480 S	1.480 S	-	-
PTPN. VI	340 S	340 S	560 S	560 S
PTPN. VII	1.020 S	1.020 S	80 S	80 S
PTPN. VIII	5.500 S	5.500 S	920 S	920 S
PTPN. IX	460 S	460 S	-	-
PTPN. XII	- S	- S	300 S	300 S
Total Estate	8.800 S	8.800 S	1.860 S	1.860 S
Pagilaran	- S	- S	- S	- S
Total Private	- S	- S	- S	- S
Grand Total	8.800 S	8.800 S	1.860 S	1.860 S

(Source: TEH)

Bangladesh Tea Auction (Chittagong): Sale No: 27

(In US\$/kg)

BROKENS	QUOTATIONS	FANNINGS	QUOTATIONS
Large/Bold	NQTA	Best	186-193
Medium	173-180	Good	183-185
Small	180-188	Medium	175-180
Plain	95-115	Plain	90-130

Tea prices at Bangladesh tea auction increased during the week amid lower supply and good demand 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 2.36/kg. Around 2.847 million kgs of tea was offered for sale and nearly 22 percent remained unsold.

There was good demand from blenders and some buying interest from loose tea buyers. 38,583 packages and 423 packages CTC Leaf of previous season noticed good demand. 6,272 packages 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 noticed firm tone 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	Oct.	28.0	30.5	Up to Oct.	283.9	279.0	+ 4.9
North India	Sept.	138.3	132.2	Up to Sept.	682.0	693.7	- 11.7
South India	Sept.	19.8	24.2	Up to Sept.	178.2	172.1	+ 6.1
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	29-11-2014	22-11-2014
USD	62.24	61.68
Srilankan Rupee	0.4746	0.4706
Indonesian Rupiah	0.0051	0.0051
Kenyan Shilling	0.6900	0.6850
Bangladeshi Taka	0.7992	0.7992

Overall Outlook and Recommendation:

In the domestic market, prices noticed firm tone during the week. Quantity offered on sale declined during the week compared to previous week. Good quality tea is currently coming in the domestic market. Demand from exporters and internal buyers added to the positive tone of the market. Prices are likely to continue firm tone in the near –term.

In the global market, prices continued positive tone during the week. There is good demand in the market following winter season. Demand for tea usually picks up during the winter season. Future offering of tea is likely to increase in Srilanka and decline in Indonesia. Weather remains normal in the tea growing regions. Prices are likely to notice firm tone in the coming days.

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