

News Highlights.

- According to a senior scientist and tea expert in the Tocklai Tea Research Institute, Assam has the potential to grow health –rich purple tea in the world after Kenya.
- Small tea growers in the country have asked the Commerce Ministry and Tea Board to launch massive pruning subsidy scheme to increase the productivity of bushes.
- According to Tea Board, Domestic tea output remained almost unchanged in October and increased by only 0.59 million kg to 165.66 million kg compared to 165.07 million kg a previous year.
- According to officials of the Indian Tea Board, production of tea is expected to decline by 15 million kg this season following poor cropping pattern in Assam. The Dooars region in Assam account for 20 percent of tea production in North India.
- Around 2000 small tea growers, all members of four INDCO (Industrial co-operative) tea factories located in Gudalur and Pandalur taluks in Nilgiris, observed one –day hunger strike in front of their respective tea factories for a minimum support price of Rs.25 for green leaf tea per kg.
- In the first ten months of the calendar year 2014, the output of global black tea increased by 1.28 percent compared to the same period previous year. The overall global black tea output is up at 1,843.12 mkg compared to 1,838.06 mkg during the same period previous year.
- Sri Lankan output of tea declined by 8.8% in the month of October compared to the same period previous year. In the first 10 months of the year, production increased by 1.77% compared to the same period in the previous year.

Domestic Trade Scenario:

Indian Tea Auctions

Kolkata Tea Auction: Sale No: 52 (Price in Rs./kg)

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	147.45	32,24,391	25,03,634
ORTHODOX	179.44	4,36,489	3,57,872
DARJEELING	168.03	1,02,856	49,254
DUST	148.93	11,92,334	9,94,221

(Source: CTTA, Parcon India)

Prices noticed mixed tone during the week. Quantity offered on sale declined during the week compared to previous week. In the CTC category, there was good demand for Best/Good Assams. There was not much enquiry for secondary varieties. Buying interest from Western India buyers and packeteers lent support to the market. In the Orthodox variety, Bolder Whole Leaf noticed firm tone. Enquiry from exporters and local traders lent support to the market. Prices are likely to notice range –bound to weak tone in the coming days.

Guwahati Tea Auction: Sale No: 52 (Price in Rs./kg)

Guwahati	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	119.44	41,14,363	30,11,493
Dust	118.65	15,87,236	11,65,542

(Source: CTTA, Parcon India)

Prices noticed weak tone during the week. Quantity offered on sale declined during the week compared to previous week. There was some demand for Good sorts. Other varieties noticed weak tone. There was not much demand from the exporters. Prices are likely to notice weak tone in the near –term.

Siliguri Tea Auction: Sale No: 52 (Price in Rs./kg)

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	122.30	26,98,228	23,31,690
CTC Leaf	115.28	3,12,758	2,80,458

(Source: CTTA)

Prices noticed weak tone during the week. Quantity offered on sale declined during the week compared to previous week. There was some demand from internal buyers in the market. Prices are likely to notice range –bound to weak tone in the coming days.

Jalpaiguri Tea Auction: Sale No: 52 (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: 51 (Price in Rs./kg)

Cochin	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	102.87	1012880.42	844731.12
CTC Leaf	71.98	75903.00	49981.00
Orthodox Dust	63.30	6980.00	2671.00
Orthodox Leaf	117.96	153625.75	84167.75

(Source: Paramount Marketing, Coimbatore)

Prices noticed firm tone during the week except Orthodox Leaf variety. Quantity offered on sale declined during the week compared to previous week. In the Leaf category, there was good demand for Nilgiri Broken and Fannings noticed easy tone. There was some demand from exporters and CIS countries. There was good demand for Fannings and Whole Leaf from Hindustan Unilever Ltd. Good Liquoring teas noticed firm tone during the week. There was good demand from AVT, Kerala State Civil Supplies and Tata Global. There was better export enquiry for Medium and Plain varieties. Prices are likely to notice firm tone in the near –term.

Coimbatore Tea Auction: Sale No: 51 (Price in Rs./kg)

Coimbatore	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	78.43	298040.00	251928.00
CTC Leaf	68.43	165063.00	123627.00
Orthodox Dust	66.71	31530.00	22944.00
Orthodox Leaf	66.71	31530.00	22944.00

(Source: Paramount Marketing, Coimbatore)

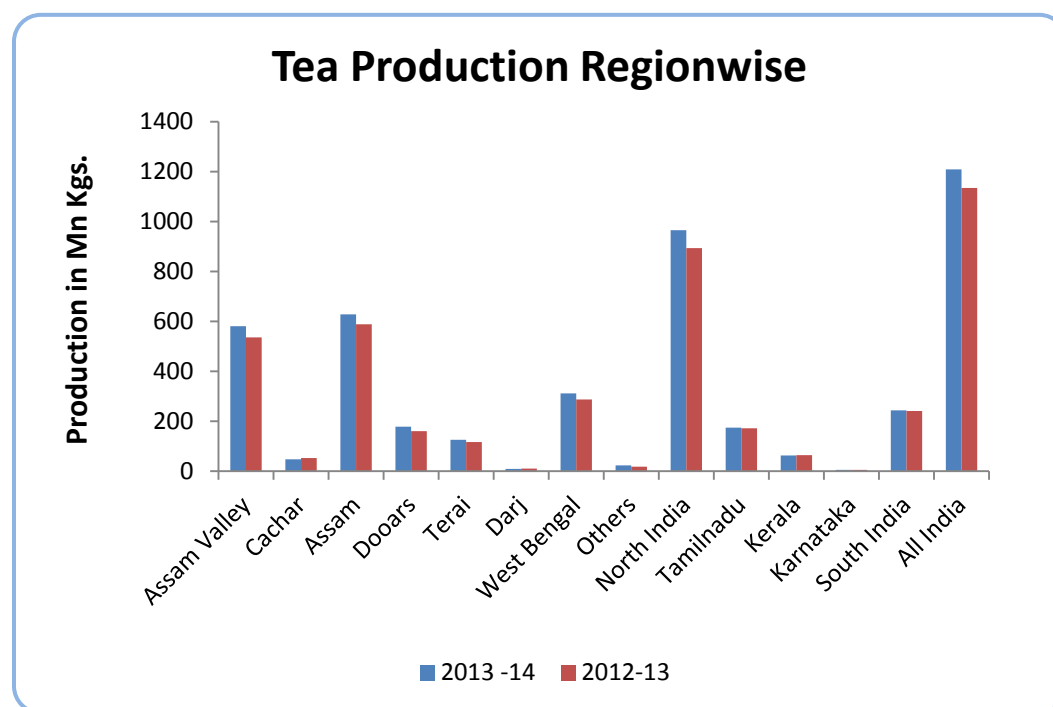
Prices noticed weak tone during the week. Quantity offered on sale increased during the week compared to previous week. Lack of demand from exporters weighed on prices. Nilgiri Broken noticed easy tone during the week. Prices are likely to notice easy tone during the week.

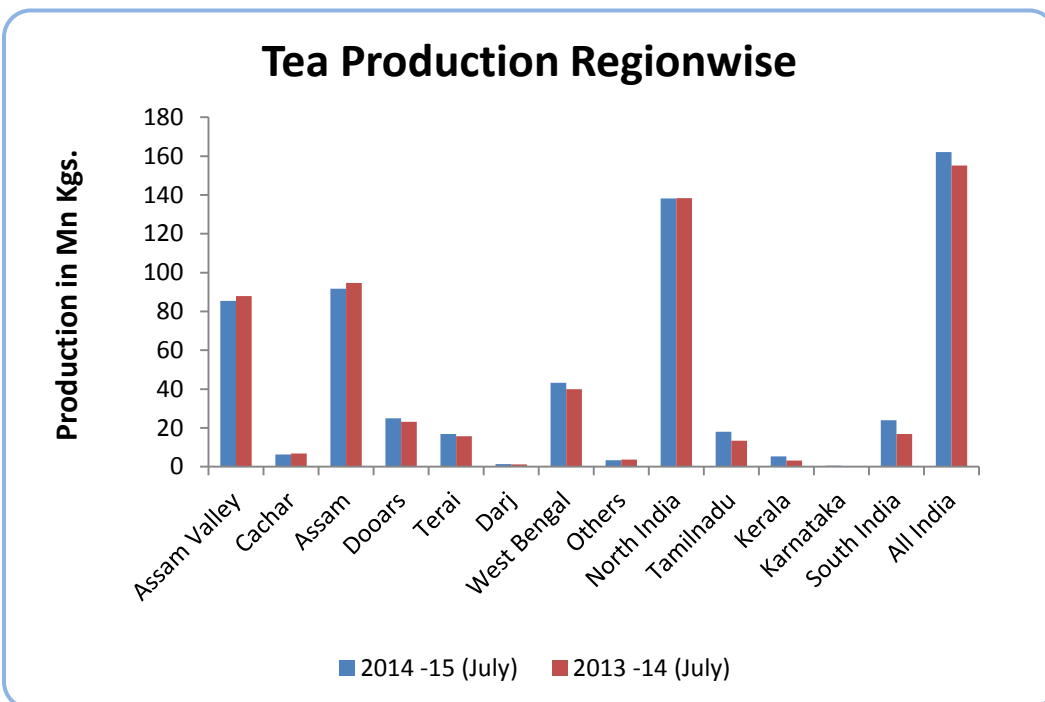
Coonoor Tea Auction: Sale No: 51 (Price in Rs./kg)

Coonoor	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	71.33	371977.00	325062.00
CTC Leaf	65.98	834208.00	707319.00
Orthodox Dust	90.88	48135.00	45801.00
Orthodox Leaf	89.04	41272.00	39948.00

(Source: Paramount Marketing, Coimbatore)

Prices noticed firm tone during the week. Quantity offered on sale increased during the week compared to previous week. Demand for good quality tea lent support to the market. Buying interest from buyers in the local market lent support to the market. Prices are likely to notice range –bound to firm tone in the coming days.





(Source: Tea Board)

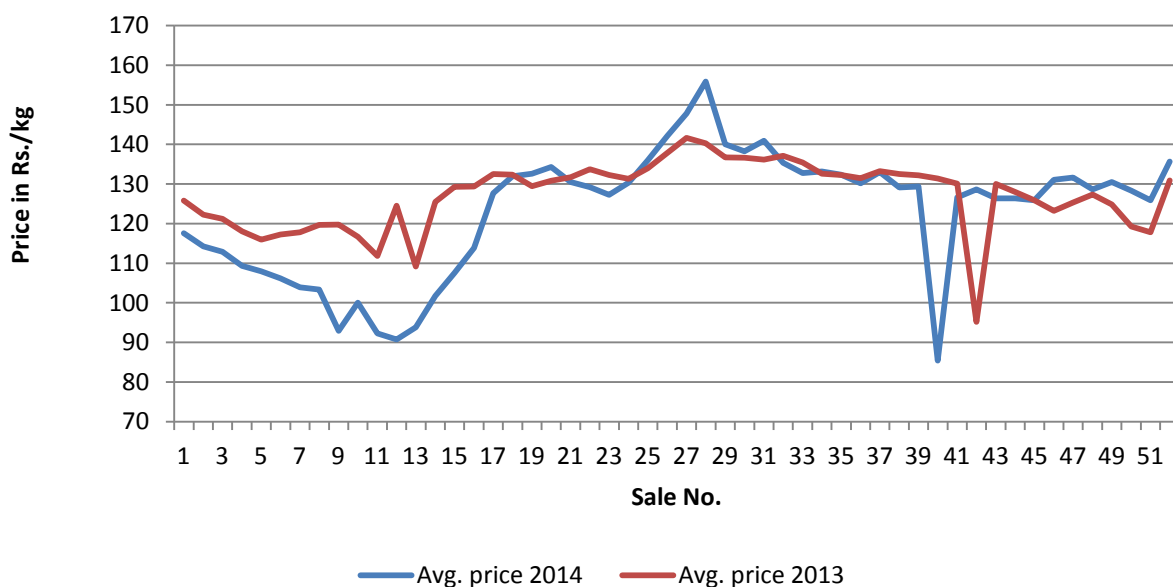
The above graph shows production comparison region wise during the last two years and in the month of May in comparison with previous year. In the year 2014 (Apr –Mar), production increased by 6.5% to 1208.78 million kgs mainly on account of increase in production in Assam. In the current year in the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

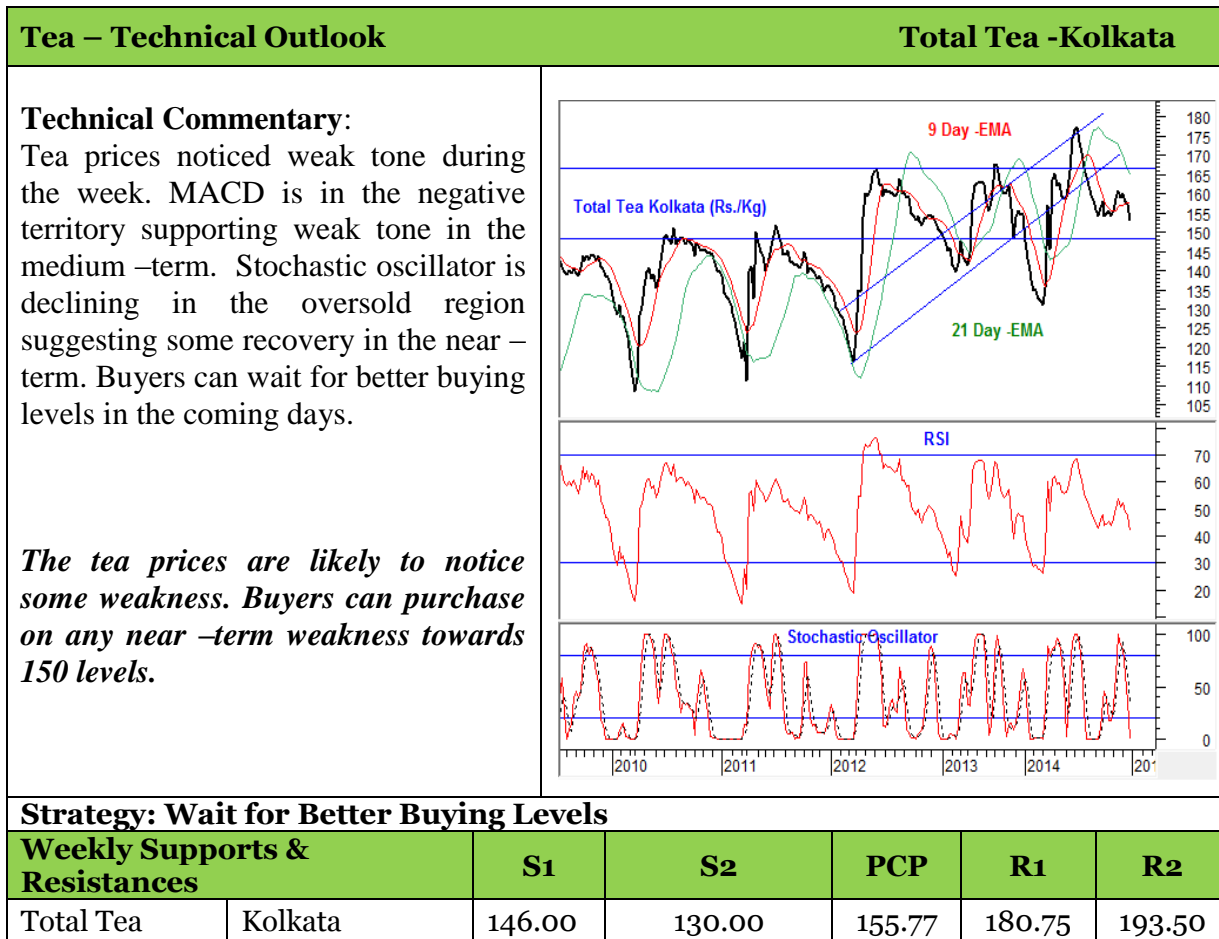
Weekly Average Prices at Indian Auction Centers for week ending 2014-01-03

Variety	Kolkata	Guwahati	Siliguri	Jalpaiguri	Cochin	Coonoor	Coimbatore	Tea Serve
CTC	154.00(143.77)	126.21(117.81)	123.58(123.35)	NS(NS)	NS(NS)	NS(NS)	NS(NS)	NS(NS)
All Dust								
Total Tea	155.77(146.01)	126.14(117.94)	125.58(123.35)	NS(NS)	NS(NS)	NS(NS)	NS(NS)	NS(NS)

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

Variety	North India	South India	All India
CTC	134.37(129.03)	NS(NS)	134.37(129.03)
All Dust			
Total Tea	135.69(130.89)	NS(NS)	135.69(130.89)

(Source: Tea Board)



International Trade Scenario:
Srilanka Tea Auction (Colombo): Sale No: 50 (Price in Srilankan Rs./kg)

	BOP	BOPF
Good Westerns	440 - 520	460 - 590
Average Westerns	420 - 430	410 - 450
Plainer Westerns	400 - 410	360 - 400
Western Mediums	330 - 580	370 - 460
Uva Teas	360 - 440	350 - 430
Nuwara Eliya Teas	450 - 520	480 - 490
Udapussellawa Teas	330 - 415	330 - 390
CTC (BP1 and PF1)	380 - 450	330 - 650

In this week's auction, 7.19 million kgs of tea was offered for sale compared to 7.45 million kgs of tea during the previous week. There was good demand for Select Best teas during the week. Better western BOP's noticed mixed tone and BOPF's noticed firm tone during the week. High Grown and Mid Grown CTC's noticed mixed tone and Low Grown CTC's noticed weak 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 weak tone. In the Tippy catalogues, better made FBOP and FF1's noticed easy tone during the week. The below best and plainer variety noticed weak tone during the week. There was selective buying from Turkey and Syria. There was some demand from Iraq, Libya, Syria and Turkey. There was selective buying from Russia.

DETAILS OF TEAS AWAITING SALE

AUCTION NO.	02		01		50	
Dates	12 th /13 th January 2015		06 th /07 th January 2015		30 th /31 st December 2014	
	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs
Ex Estate	911	1,094,485 kg	891	1,061,914 kg	957	1,177,195 kg
Main Sale Total	10,742	5,704,202 kg	10,683	5,703,382 kg	11,074	6,015,511 kg
High & Medium	1,212	638,665 kg	1,222	637,078 kg	1,318	724,901 kg
Low Grown Leafy	3,788	1,743,902 kg	3,727	1,702,463 kg	3,910	1,834,920 kg
	2,543	1,468,318 kg	2,365	1,384,488 kg	2,636	1,589,106 kg
Tippy						
Premium/Flowery	542	135,786 kg	493	115,331 kg	628	147,127 kg
Off Grades	2,059	1,136,760 kg	2,287	1,298,199 kg	2,018	1,155,422 kg
Dust	598	580,771 kg	589	565,823 kg	564	564,035 kg
Grand Total	11,653	6,798,687 kg	11,574	6,765,296 kg	12,031	7,192,706 kg
Reprints	1,029	593,771 kg	794	453,067 kg	667	366,878 kg
Scheduled to Close (Ex)		18.12.14		11.12.14		04.12.14
Dates (Ms)		19.12.14		12.12.14		05.12.14

Scheduled Closing Dates

Auction No. 01 : 06th/07th Jan. 2015

Ex Estate : 11.12.2014

Main Sale : 12.12.2014

Auction No. 03 : 20th/21st Jan. 2015

Ex Estate : 31.12.2014

Main Sale : 31.12.2014

Auction No. 02 : 12th/13th Jan. 2015

Ex Estate : 18.12.2014

Main Sale : 19.12.2014

Auction No. 04 : 26th/27th Jan. 2015

Ex Estate : 08.01.2015

Main Sale : 08.01.2015

(Source: John Keells Tea Brokers)

Kenya Tea Auction (Mombasa): Sale No: 50

AUCTION AVERAGE PRICE *(in US\$ per kg)*

AUCTION AVERAGE PRICE

AUCTION	KENYA	KENYA	TOTAL	TOTAL
	2013	2014	2013	2014
48	\$ 2.31	\$ 2.01	\$ 2.21	\$ 1.89
49	\$ 2.40	\$ 2.05	\$ 2.30	\$ 1.89
50	\$ 2.58	\$ 1.99	\$ 2.43	\$ 1.88

During the week fair demand noticed for 10,052,083 kilos of tea on offer. Brighter DUST1s were weak to USC15 lower with mediums firm to USC10 higher and prices of lower mediums were USC2 to USC14 higher during the week. Prices of Brighter BP1's noticed weak tone and were USC9 to USC13 lower, prices of mediums were firm to USC10 higher and prices of lower mediums were steady to USC2 lower. Other varieties like Brighter Pdusts, Lower Medium PF1's noticed mixed tone during the week.

In the secondary catalogues, BPs and PF's noticed steady to easy tone during the week. Well sorted clean coloury Fannings noticed easy tone and Dusts prices noticed easy tone during the week. Other Fannings and BMF's noticed easy tone. There was good buying interest from UK, Yemen, other middle-eastern countries, Bazzar and Pakistan Packers. There was less demand from Kazakhstan, other CIS countries and Egyptian packers. There was not much demand from Russia. There was some buying support from Somalia around lower levels.

(Source: Africa Tea Brokers)

Indonesia Tea Auction (Jakarta): Sale No: 50

Orthodox	OFFERED		SOLD		%
PTPN ESTATE	13.740	724.320 Kg	6.700	357.720 Kg	49.39
PRIVATE ESTATE	---	--- Kg	---	--- Kg	--,--
TOTAL	13.740	724.320 Kg	6.700	357.720 Kg	49.39
C.T.C	OFFERED		SOLD		%
PTPN ESTATE	3.020	170.180 Kg	1.740	98.960 Kg	58.15
PRIVATE ESTATE	---	--- Kg	---	--- Kg	--,--
TOTAL	3.020	170.180 Kg	1.740	98.960 Kg	58.15
TOTAL	16.760	894.500 Kg	8.440	456.680 Kg	51.05

(Prices in US cents/kg)

Orthodox First Grades						
BOP.I	BOP	BOPF	PF	DUST	BT	BP
-	108-183	109-182	107-196	109-202	100-148	-

Orthodox Secondary Grades				
PF.II	DUST.II	BT.II	BP.II	DUST.III
127-176	95-104	88-132	272	95-117

CTC First and Secondary Grades						
BP.1	PF.1	PD	D.1	FANN	D.2	D.3
157-164	147-196	140-188	148-217	107-201	140-177	---

Market offerings increased to 16,760 paper sacks from 12,800 paper sacks. There was less demand in the market around current levels. Average price declined to USDcts 143.13 instead of USDcts 155.60 during last week's auction. Average price of Orthodox variety declined to USDcts 139.01 and average price of CTC declined to USDcts 157.37. Secondary variety and Fannings noticed easy tone. Quantity sold declined to 51.05% during the period compared to 58.77% during last auction.

OFFERING FOR THE NEXT AUCTION

PRODUCER	Orthodox		C.T.C	
	07/01/15	14/01/15	07/01/15	14/01/15
PTPN. IV	1.680 S	1.260 S	-	-
PTPN. VI	1.060 S	780 S	740 S	560 S
PTPN. VII	1.540 S	1.020 S	- S	- S
PTPN. VIII	7.280 S	6.780 S	1.440 S	1.020 S
PTPN. IX	520 S	480 S	-	-
PTPN. XII	- S	- S	500 S	440 S
Total Estate	12.080 S	10.320 S	2.680 S	2.020 S
Pagilaran	- S	- S	- S	- S
Total Private	- S	- S	- S	- S
Grand Total	12.080 S	10.320 S	2.680 S	2.020 S

(Source: TEH)

Bangladesh Tea Auction (Chittagong): Sale No: 32

(In US\$/kg)

BROKENS	QUOTATIONS	FANNINGS	QUOTATIONS
Large/Bold	NQTA	Best	195-200
Medium	180-185	Good	190-194
Small	190-195	Medium	183-188
Plain	130-150	Plain	140-160

Tea prices at Bangladesh tea auction declined during the week amid lower supply of good quality leaf and lack of good demand in the market. The average price of tea during this week's auction was around USD 2.40/kg. Around 2.23 million kgs of tea was offered for sale and nearly 17 percent remained unsold.

There was good demand from blenders and some buying interest from loose tea buyers. 34,249 packages and 162 packages CTC Leaf of previous season noticed good demand. 6,416 packages and 20 packages of old season on offer of CTC Dust noticed fairly 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	Nov.	29.7	30.7	Up to Nov.	313.8	309.7	+ 4.1
North India	Oct.	140.42	140.09	Up to Oct.	822.37	833.91	- 11.54
South India	Oct.	25.24	24.98	Up to Oct.	203.53	196.88	+ 6.65
Kenya	Oct.	45.37	44.28	Up to Oct.	361.42	355.27	+ 6.15
Bangladesh	Oct.	10.4	9.7	Up to Oct.	54.8	53.8	+ 1.0
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	03-01-2015	27-12-2014
USD	63.25	62.64
Srilankan Rupee	0.4817	0.4776
Indonesian Rupiah	0.0050	0.0050
Kenyan Shilling	0.6969	0.6922
Bangladeshi Taka	0.8132	0.8106

Overall Outlook and Recommendation:

In the domestic market, prices noticed mixed tone during the week. Quantity offered on sale declined during the week compared to previous week. Trading activities remained lack –luster following ‘Christmas’ and New Year’s Eve. Quality of tea arriving in the market is not of good quality following rains during last week. Prices are likely to notice range –bound to weak tone in the near –term.

In the global market, prices noticed range –bound to weak tone. There was not much demand in the market amid Christmas and New Year holidays. Future offering of tea is likely to decline in Srilanka and Indonesia. Prices are likely to decline in the coming days.

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