News Highlights.

- The Central government is planning to amend rules governing sale of tea through auctions. It is likely to change the Tea Marketing Control Order, 2003, making it compulsory for tea manufacturers to sell 70 percent of their produce through auctions. This will bring in transparency in pricing and help small tea growers in realizing better prices for green teas.

- India's production of tea declined in the calendar year 2014 by 17 million kg. compared to 2013. Till November in 2014, output was at 1127.21 million kg compared to 1143.27 million kg during the same period 2013.

- Consumption of tea is growing 5% annually in Nigeria since 2008, providing opportunities for investors. Annual per capita consumption in 2009 was at 23 grams with a population of 160 million. This has increased to 28 grams of per capita consumption in 2013 and is expected to be around 29.3 grams in 2014.

- South Indian Farmers Organisation has emphasized to find the cause of continuous decline in tea prices and frame remedial steps to save the sector. Many tea growers, workers and small tea factory owners associated with the sector are facing problems amid falling prices of green tea leaves.

- Many tea factories in Nilgiris, Kerala, Assam, Darjeeling and West Bengal have been closed following decline in prices. The recommendations are likely to be discussed with the State and Central governments to save the sector.

- According to the country's tea association, tea production in Uganda is likely to see a record output of 62 million kilograms in the current year on rising yields. The East African country has more than 31,000 hectares (76,600 acres) under tea. Uganda, Africa's third-biggest grower after Kenya and Malawi, exports at least 95 percent of its output, according to the association.

Domestic Trade Scenario:

Indian Tea Auctions

Kolkata Tea Auction: Sale No: 03 (Price in Rs./kg)

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	135.38	31,85,717	22,73,633
ORTHODOX	158.36	2,85,576	2,11,711
DARJEELING	126.22	70,944	33,785
DUST	135.08	13,46,634	10,48,290

(Source: CTTA, Parcon India)

Prices noticed weak tone during the week. Quantity offered on sale declined during the week compared to previous week. The quality of leaf arriving in the market is not good following frost conditions in the tea growing regions of Assam and West Bengal. The production could decline in the coming months. There was buying support from Tata Global and Hindustan Unilever Ltd. In the Orthodox category, there was not much demand from the exporters. Prices are likely to notice weak tone in the coming days.

Guwahati Tea Auction: Sale No: 03 (Price in Rs./kg)

Guwahati	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	105.67	41,07,000	24,64,274
Dust	114.54	18,31,116	12,30,376

(Source: CTTA, Parcon India)

Prices declined during the week. Quantity offered on sale increased during the week compared to previous week. There is not much demand for the quality of leaf arriving in the market. Select Good Assams noticed steady to weak tone. Prices are likely to notice range –bound to weak tone in the near –term.

Siliguri Tea Auction: Sale No: 03 (Price in Rs./kg)

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	110.72	4,37,273	3,60,416
CTC Leaf	120.32	35,21,264	26,95,685

(Source: CTTA)

Prices noticed easy tone during the week at Siliguri tea auction. Quantity offered on sale increased during the week compared to previous week. There was some demand for Dust and Liquoring sorts from Tata Global and Hindustan Unilever Limited. Exporters were selective during the period. Prices are likely to notice weak tone in the coming days.

Jalpaiguri Tea Auction: Sale No: 03 (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 Brokens 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 Plainer varieties. Prices are likely to notice firm tone in the near –term.

Coimbatore Tea Auction: Sale No: 04 (Price in Rs./kg)

Coimbatore	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	93.80	370241.00	295551.00
CTC Leaf	82.42	178130.00	137233.00
Orthodox Dust	-	-	-
Orthodox Leaf	-	-	-

(Source: Paramount Marketing, Coimbatore)

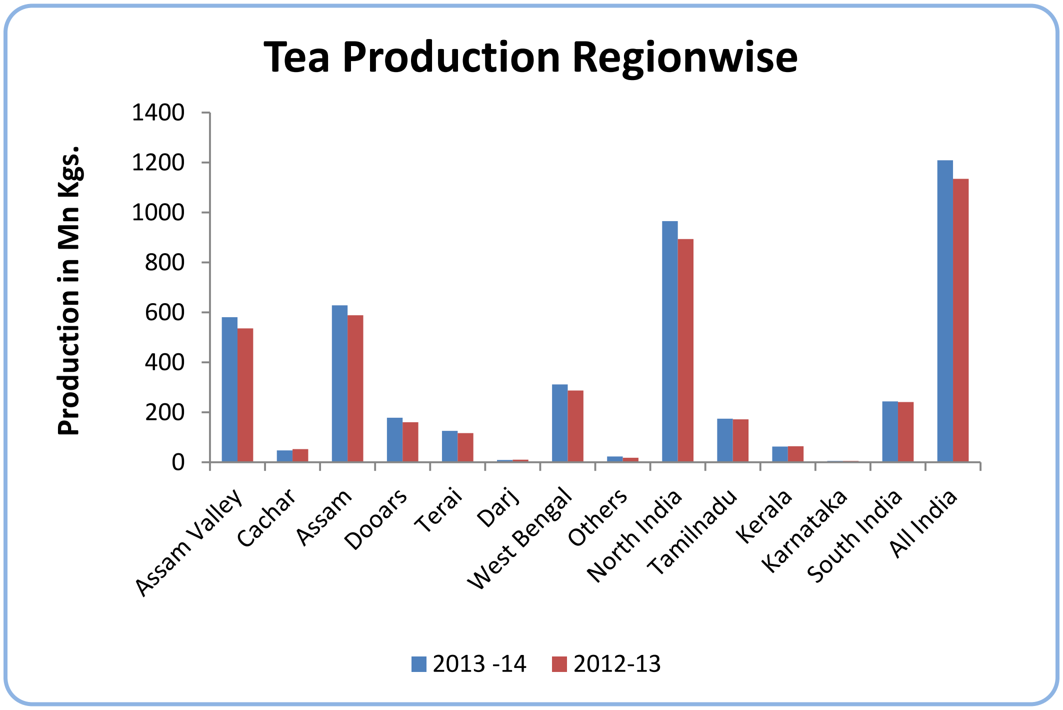
Prices noticed firm tone during the week compared to previous week. Quantity offered on sale increased during the week compared to previous week. Lack of availability of good quality tea in the market lent support to prices. There was some export enquiry in the market. Prices are likely to notice positive tone in the coming days.

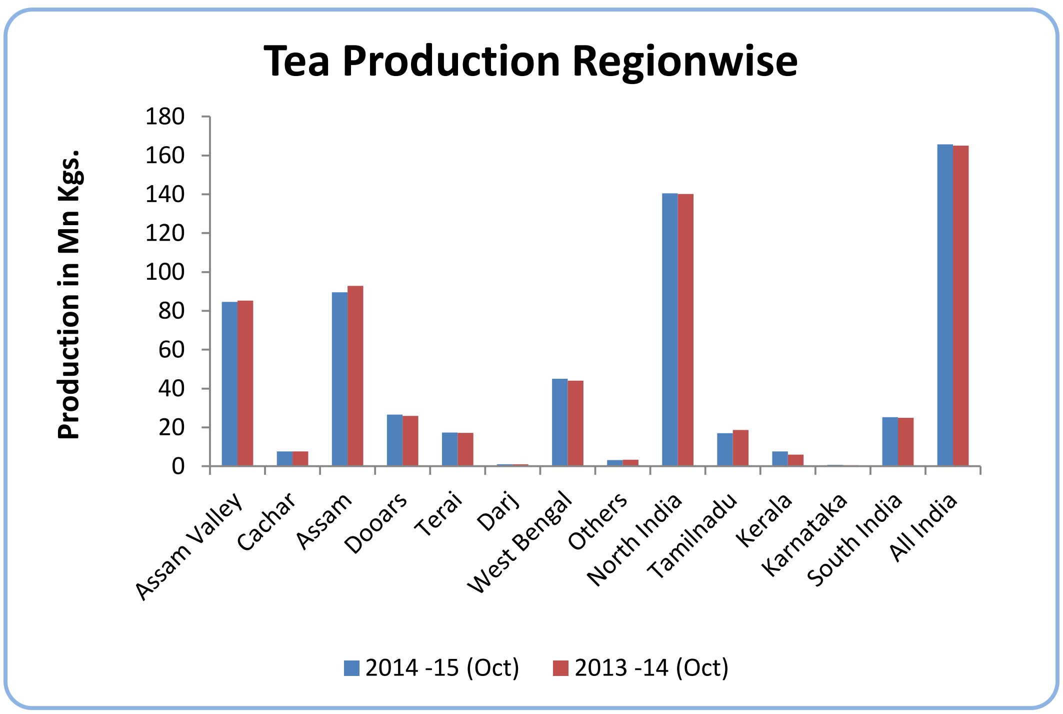
Coonoor Tea Auction: Sale No: 51 (Price in Rs./kg)

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.





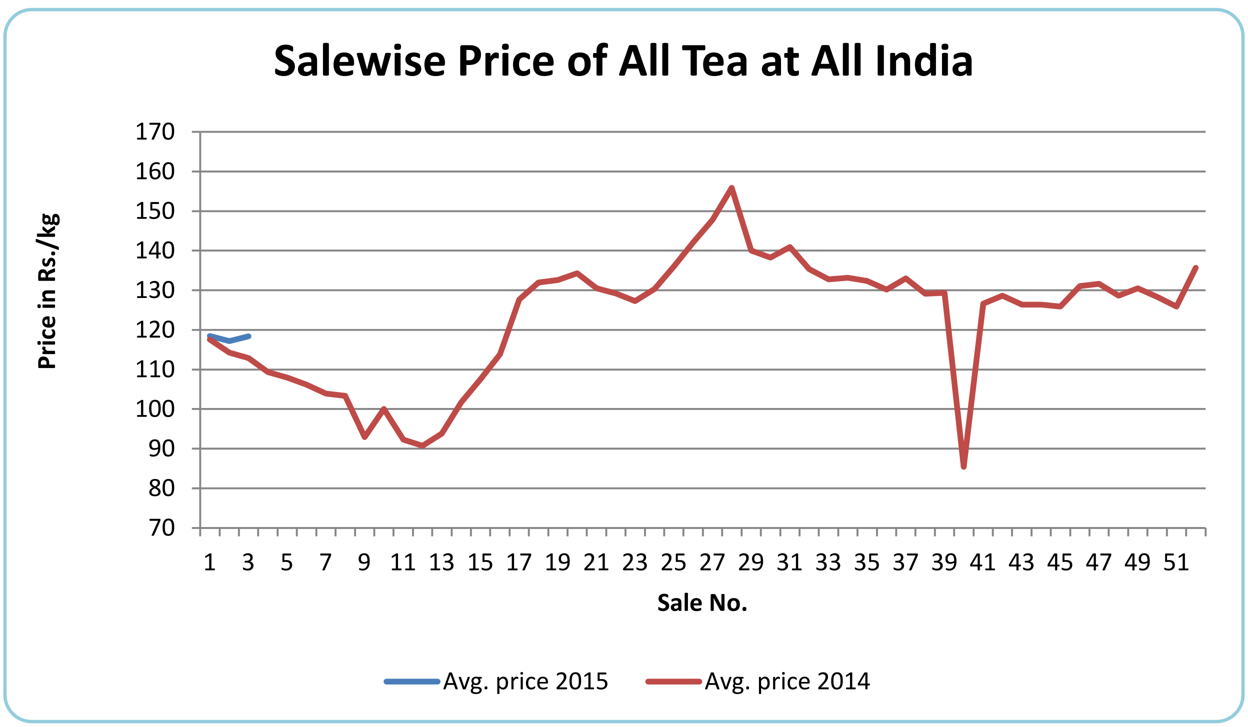
(Source: Tea Board)

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	
Period	Qty	Value	Qty	Value	Qty	Value
Apr-Jun 2014	18.05	455.84	19.09	270.57	37.14	726.41
Jul-Sep 2014	28.01	713.30	21.62	278.36	49.63	991.66
Apr-Sep 2014	46.06	1169.14	40.71	548.93	86.77	1718.07

Source: Tea Board Of India



The above graph shows the price comparison of All Tea at All India in 2014 and 2015. 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 slightly higher 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 2014-01-17

Variety	Kolkata	Guwahati	Siliguri	Jalpaiguri	Cochin	Coonoor	Coimbatore	Tea Serve
CTC All Dust	143.80(129.64)	122.39(107.87)	123.10(113.71)	NS(NS)	97.20(112.07)	77.25(82.15)	78.72(88.96)	52.94(82.59)
Total Tea	144.22(130.64)	122.68(107.93)	123.10(113.71)	NS(NS)	100.05(112.38)	77.81(82.51)	78.66(88.95)	52.94(82.59)

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

Variety	North India	South India	All India
CTC All Dust	131.31(118.12)	80.90(93.60)	117.73(111.99)
Total Tea	131.87(119.07)	82.78(94.26)	118.38(112.90)

(Source: Tea Board)

Tea – Technical Outlook | Total Tea -Kolkata

Technical Commentary:
Tea prices declined during the week and are holding below the uptrend line in the weekly chart. Prices are holding below 9 –Day and 21 –EMA supporting the overall weak tone of the market. RSI is declining in the neutral region supporting weakness in the near –term. Traders are advised to wait for better buying levels.

The tea prices are likely to notice some weakness. Buyers can purchase on any near –term weakness towards 130 levels.

Strategy: Wait for Better Buying Levels

Weekly Supports & Resistances		S1	S2	PCP	R1	R2
Total Tea	Kolkata	130.00	112.80	144.22	170.90	180.75

International Trade Scenario:

Srilanka Tea Auction (Colombo): Sale No: 03 (Price in Srilankan Rs./kg)

	BOP	BOPF
Good Westerns	430 - 510	430 - 550
Average Westerns	400 - 420	410 - 420
Plainer Westerns	350 - 395	350 - 400
Western Mediums	360 - 600	370 - 460
Uva Teas	370 - 440	300 - 440
Nuwara Eliya Teas	450 - 560	450 - 530
Udapussellawa Teas	360 - 400	340 - 375
CTC (BP1 and PF1)	380 - 460	310 - 490

In this week’s auction, 7.37 million kgs of tea was offered for sale compared to 6.80 million kgs of tea during the previous week. There was good demand for Select Best teas during the week. Better western BOP’s noticed weak tone and BOPF’s noticed easy tone during the week. 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 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 Iran. There was good demand from Russia, Turkey and Syria. Iran and Libya lent some buying support to the market.

AGRIWATCH

Tea Weekly
24 January 2015

DETAILS OF TEAS AWAITING SALE

AUCTION NO.	05		04		03	
Dates	02nd February 2015		26th/27th January 2015		20th/21st January 2015	
	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs
Ex Estate	733	848,974 kg	818	957,039 kg	986	1,189,587 kg
Main Sale Total	6,747	3,438,045 kg	11,359	5,979,735 kg	11,393	6,184,880 kg
High & Medium	658	340,947 kg	1,118	574,142 kg	1,170	599,778 kg
Low Growns Leafy	2,589	1,140,893 kg	4,050	1,846,691 kg	4,130	1,944,925 kg
Tippy	1,561	891,989 kg	2,796	1,640,486 kg	2,642	1,617,322 kg
Premium/Flowery	340	93,213 kg	646	158,867 kg	569	147,503 kg
Off Grades	1,273	668,713 kg	2,203	1,238,410 kg	2,298	1,305,953 kg
Dust	326	302,290 kg	546	521,139 kg	584	569,399 kg
Grand Total	7,480	4,287,019 kg	12,177	6,936,774 kg	12,379	7,374,467 kg
Reprints	1,277	694,015 kg	1815	956,837 kg	88	59,973 kg
Scheduled to Close (Ex)		16.01.15		08.01.15		31.12.14
Dates (Ms)		16.01.15		08.01.15		31.12.14

Scheduled Closing Dates

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

Ex Estate : 08.01.2015

Main Sale : 08.01.2015

Auction No. 05: 02nd Feb. 2015

Ex Estate : 16.01.2015

Main Sale : 16.01.2015

Auction No. 06: 10th / 11th Feb. 2015

Ex Estate : 22.01.2015

Main Sale : 23.01.2015

Auction No. 07: 17h / 18h Feb. 2015

Ex Estate : 29.01.2015

Main Sale : 30.01.2015

(Source: John Keells Tea Brokers)

Kenya Tea Auction (Mombasa): Sale No: 03

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

AUCTION	KENYA 2013	KENYA 2014	TOTAL 2013	TOTAL 2014
01	2.68	2.18	2.53	2.02
02	2.84	2.32	2.61	2.13
03	2.85	2.35	2.65	2.17

QUOTATIONS	BROKENS	FANNINGS	
Best	320 - 475	403 - 420	
Good	302 - 343	400 - 423	
Good Medium	296 - 336	380 - 416	
Medium	240 - 403	319 - 400	
Lower Medium	160 - 312	187 - 303	
Plain	122 - 205	120 - 252	(SL RUPEES)

During the week improved demand noticed for 9,906,594 kilos of tea on offer. Brighter DUST1s were firm to USC386 higher with mediums higher up to USC62 and prices of lower mediums were firm to USC20 higher during the week. Prices of Brighter BP1's noticed firm tone and increased up to USC31 higher, prices of mediums were firm to USC22 higher and prices of lower mediums were firm to USC146 higher. Other varieties like Brighter Pdusts, Lower Medium PF1's noticed mixed tone during the week.

In the secondary catalogues, BPs noticed firm tone and PF's noticed steady tone during the week. Well sorted clean coloury Fannings and Dusts prices noticed firm tone during the week. Other Fannings noticed weak tone and BMF's noticed firm tone. There was good buying interest from Pakistan Packers and Afghanistan. There was demand from Sudan, Yemen, U.K., Egypian paskers, Russia, other middle –eastern countries, Bazaar and CIS countries. There was less demand from Iran and Afghanistan. There was buying support from Somalia around lower levels.

(Source: Africa Tea Brokers)

Indonesia Tea Auction (Jakarta): Sale No: 03

Orthodox	OFFERED		SOLD		%
PTPN ESTATE	13.180	708.360 Kg	6.200	338.240 Kg	47.75
PRIVATE ESTATE	---	--- Kg	---	--- Kg	--,--
TOTAL	13.180	708.360 Kg	6.200	338.240 Kg	47.75
C.T.C	**OFFERED**		**SOLD**		**%**
PTPN ESTATE	2.260	119.980 Kg	1.160	68.920 Kg	57.44
PRIVATE ESTATE	---	---- Kg	---	--- Kg	--,--
TOTAL	2.260	119.980 Kg	1.160	68.920 Kg	57.44
TOTAL	15.440	828.340 Kg	7.480	407.160 Kg	49.15

(Prices in US cents/kg)

Orthodox First Grades						
BOP.I	**BOP**	**BOPF**	**PF**	**DUST**	**BT**	**BP**
157	**112-193**	**185-188**	**108-210**	**103-208**	**90-143**	**256**

Orthodox Secondary Grades				
PF.II	**DUST.II**	**BT.II**	**BP.II**	**DUST.III**
100-191	**98-122**	**88-138**	**-**	**95-120**

CTC First and Secondary Grades						
BP.1	**PF.1**	**PD**	**D.1**	**FANN**	**D.2**	**D.3**
161-175	**190**	**130-192**	**140-217**	**98-162**	**132-167**	**---**

Market offerings increased to 15,440 paper sacks from 14,500 paper sacks. There was less demand in the market around current levels. Average price declined to USDcts 152.92 instead of USDcts 155.48 during last week's auction. Average price of Orthodox variety declined to USDcts 154.93 and average price of CTC declined to USDcts 143.65. Secondary variety and Fannings noticed easy tone. Quantity sold increased to 49.15% during the period compared to 50.84% during last auction.

OFFERING FOR THE NEXT AUCTION

PRODUCER	Orthodox		C.T.C	
	28/01/15	**04/02/15**	**28/01/15**	**04/02/15**
PTPN. IV	1.600 S	1.880 S	-	-
PTPN. VI	900 S	560 S	660 S	720 S
PTPN. VII	980 S	1.020 S	- S	- S
PTPN. VIII	8.600 S	8.200 S	1.408 S	1.300 S
PTPN. IX	500 S	420 S	-	-
PTPN. XII	- S	- S	200 S	540 S
Total Estate	12.580 S	12.080 S	2.340 S	2.560 S
Pagilaran	- S	- S	- S	- S
Total Private	- S	- S	- S	- S
Grand Total	12.580 S	12.080 S	2.340 S	2.560 S

(Source: TEH)

Bangladesh Tea Auction (Chittagong): Sale No: 35
(In US$/kg)

BROKENS	QUOTATIONS	FANNINGS	QUOTATIONS
Large/Bold	NQTA	Best	198-203
Medium	175-180	Good	190-197
Small	185-192	Medium	175-180
Plain	125-145	Plain	125-140

Tea prices at Bangladesh tea auction declined during the week amid lower demand from local buyers and political unrest. The average price of tea during this week's auction was around USD 2.40/kg. Around 1.89 million kgs of tea was offered for sale and nearly 32 percent remained unsold.

There was good demand from blenders and some buying support from loose tea buyers. 29,448 packages and 10 packages CTC Leaf of previous season noticed selective demand. 5,165 packages on offer of CTC Dust noticed fairly good demand around lower levels. In CTC Dust, good liquoring varieties were firm and medium levels noticed steady 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)

Country	MONTH	2014	2013	CUMULATIVE	2014	2013	CUMULATIVE + INC./-DEC.
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	Nov.	38.61	35.46	Up to Nov.	400.03	390.73	+ 9.30
Bangladesh	Nov.	5.8	7.2	Up to Nov.	60.6	60.9	- 0.3
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 previous year, global black tea output declined to 2019.13 mkg compared to 2027.5 mkg in 2013. India's production declined by 16.06 mkg to 1127.21 mkg. 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 is likely to be affected in the coming months following cold and frost weather conditions in the tea growing regions in the months of December and January.

Currency	24-01-2015	17-01-2015
USD	61.40	61.61
Srilankan Rupee	0.4656	0.4691
Indonesian Rupiah	0.0049	0.0049
Kenyan Shilling	0.6684	0.6728
Bangladeshi Taka	0.7897	0.7926

Overall Outlook and Recommendation:

In the domestic market, prices noticed weak tone except slight recovery at Coimbatore tea auction during the week. There was not much demand from internal buyers in the market. The quality of tea arriving in the market is not of good quality amid unfavourable weather conditions in the tea growing regions. There was some demand for Select Best teas and withdrawal was noticed in other varieties. The production of first flush of tea is likely to be lower this year. 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. Quantity offered on sale increased during the week compared to previous week. Wet weather condition in Malawi is likely to improve demand in the coming days. Future offering of tea is likely to decline in Srilanka and Indonesia in the coming week. Prices are likely to notice firm tone in the coming days.