

News Highlights.

- According to a senior bank official, State Bank Of India will provide Rs.100 crore finance to 3000 small tea growers in the north –east. Finance will be provided to those small tea growers who have proper documents of their tea gardens as per Tea Board Of India norms. The finance will help small tea growers to set up mini-bought leaf factories and buying vehicles for transporting green tea leaves.
- According to Tea Board, India's exports of tea declined by 8.1 percent to 201.23 million kg compared to previous year amid less demand from Bangladesh and Iran. Exports to Bangladesh declined by nearly 50 per cent and to Iran declined by 22 percent.
- The market size of tea is estimated to be around Rs.10,000 crore with a penetration of more than 90 per cent in the domestic market. With an export of approximately 210 million kg of tea, India is the fourth largest exporter of tea in the world.
- Around 72 percent of the tea sector is organized in the domestic market.
- The green leaf tea cess was increased with effect from January 1, 2010 from 32 paise and 29 paise to 40 paise and 35 paise per kg of green tea leaf respectively. The Assam tea industry has asked the state government to consider reduction in green tea leaf cess to ensure that the tea industry remains economically competitive.
- India's export earnings from tea declined by 9.8 percent to Rs.3928.94 crore in 2014 compared to Rs.4355.23 crore during the previous year. This is due to lower exports and decline in unit price of Indian tea amid increase in output in Kenya and Srilanka.
- Srilanka's tea exports touched an all time high in 2014 both in volume and value recording 1.6 billion U.S. dollars. Exports were recorded at 327.87 million kgs. compared to 327.41 million kgs. in 2006.
- Dubai is likely to have a factory by the sea according to sources, which will be the largest supplier of tea in the world.
- According to state –run tea board, tea export revenues increased by 2.4 percent in 2014 for Burundi. Export earnings increased to \$21.3 million compared to \$20.80 million in 2013 amid good weather in the tea growing regions.

Domestic Trade Scenario:

Indian Tea Auctions

Kolkata Tea Auction: Sale No: 08 (Price in Rs./kg)

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	95.61	31,70,197	18,66,607
ORTHODOX	-	-	-
DARJEELING	-	-	-
DUST	96.92	13,50,417	9,13,282

(Source: CTTA, Parcon India)

Prices noticed weak tone during the week. Quantity offered on sale increased during the week compared to previous week. There was not much demand from exporters in the market. Production of first flush of tea is likely to be lower in the coming days amid cold and frost conditions in the month of January. Buying interest from Tata Global and Hindustan Unilever Ltd. lend some support to the market. Prices are likely to notice weak tone in the coming days.

Guwahati Tea Auction: Sale No: 08 (Price in Rs./kg)

Guwahati	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	105.92	19,80,134	10,90,768
Dust	95.80	6,01,185	3,36,968

(Source: CTTA, Parcon India)

Prices noticed mixed tone during the week. There is less demand in the market around current levels. Withdrawals were noticed in the market. There was some buying support from internal buyers in the market. Prices are likely to notice range –bound to weak tone in the near –term.

Siliguri Tea Auction: Sale No: 08 (Price in Rs./kg)

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	82.45	5,72,236	3,71,151
CTC Leaf	82.19	36,18,902	25,38,496

(Source: CTTA)

Prices declined during the week. Quantity offered on sale declined during the week compared to previous week. There is not much demand from blenders and exporters amid lack of availability of good quality tea in the market. Prices are likely to notice weak tone in the coming days.

Jalpaiguri Tea Auction: Sale No: 08 (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: 09 (Price in Rs./kg)

Cochin	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	100.73	1045875.40	893951.30
CTC Leaf	71.31	88098.50	65645.00
Orthodox Dust	76.56	9053.00	5117.00
Orthodox Leaf	128.55	127932.00	117087.00

(Source: Paramount Marketing, Coimbatore)

Prices noticed mixed tone during the week. Quantity offered on sale increased during the week compared to previous week. Arrivals have increased amid favourable weather in the growing region. There was demand from the exporters for orthodox variety. Buying interest from AVT, Kerala State Civil Supplies and Tata Global lent some support to the market. Select Best Nilgiri Broken and Fannings noticed firm tone. Prices are likely to notice range –bound to firm tone in the coming days.

Coimbatore Tea Auction: Sale No: 09 (Price in Rs./kg)

Coimbatore	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	83.66	280003.00	250474.00
CTC Leaf	77.17	117549.00	92204.00
Orthodox Dust	66.81	28058.00	24554.00
Orthodox Leaf	73.86	10018.00	7616.00

(Source: Paramount Marketing, Coimbatore)

Prices noticed mixed tone during the week. Quantity offered on sale declined during the week compared to previous week. There was some enquiry from exporters for Select Best Nilgiri variety. Prices are likely to notice range –bound to weak tone in the near –term.

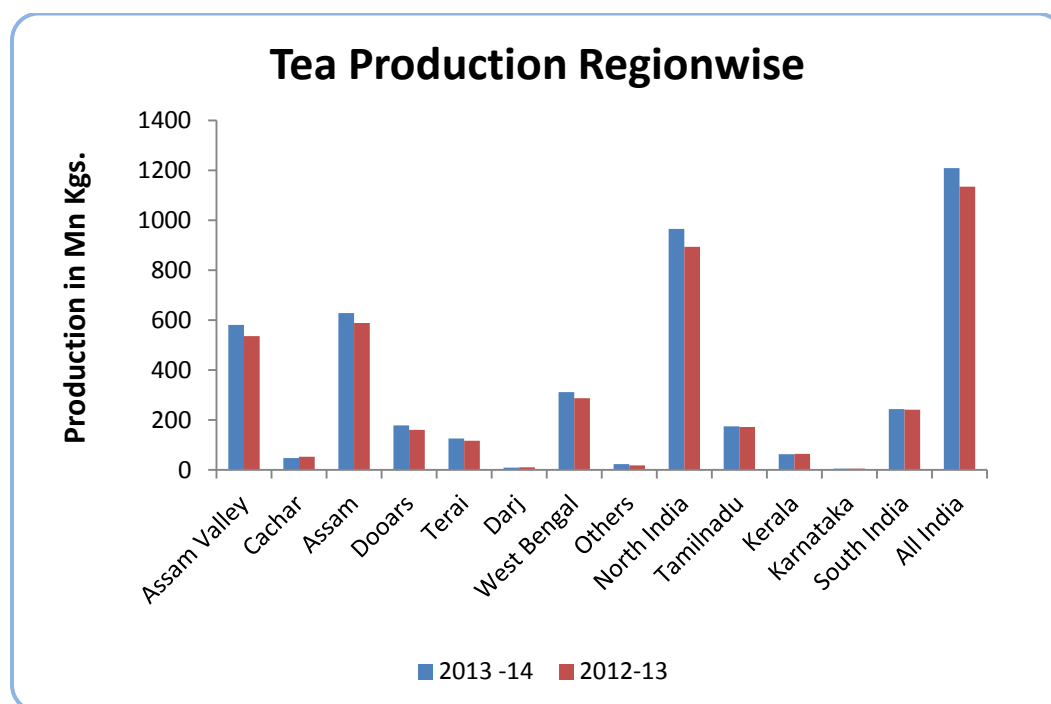
Coonoor Tea Auction: Sale No: 09 (Price in Rs./kg)

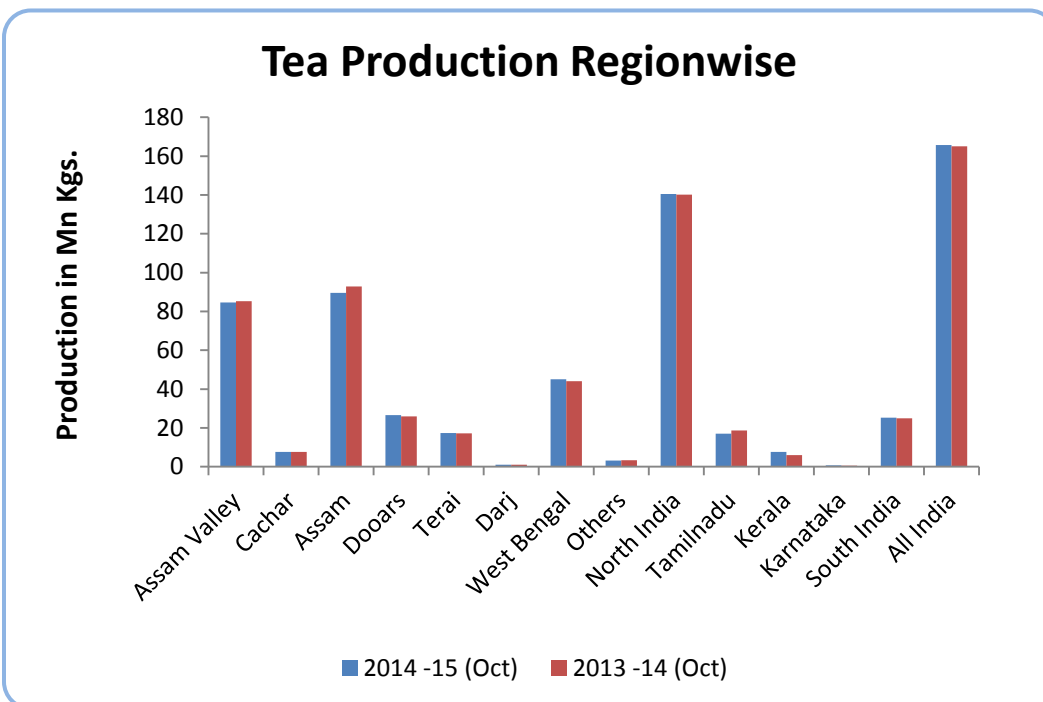
Coonoor	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	81.71	333092.30	295167.50
CTC Leaf	76.59	863554.00	675729.00

Orthodox Dust	86.42	54769.00	49270.00
Orthodox Leaf	91.08	43219.60	42713.00

(Source: Paramount Marketing, Coimbatore)

Prices noticed mixed tone during the week. Quantity offered on sale increased during the week compared to previous week. There was good demand for Orthodox leaf variety. Buying interest from upcountry buyers lent some support to the market. Prices are likely to notice range –bound to weak tone in the coming days.





(Source: Tea Board)

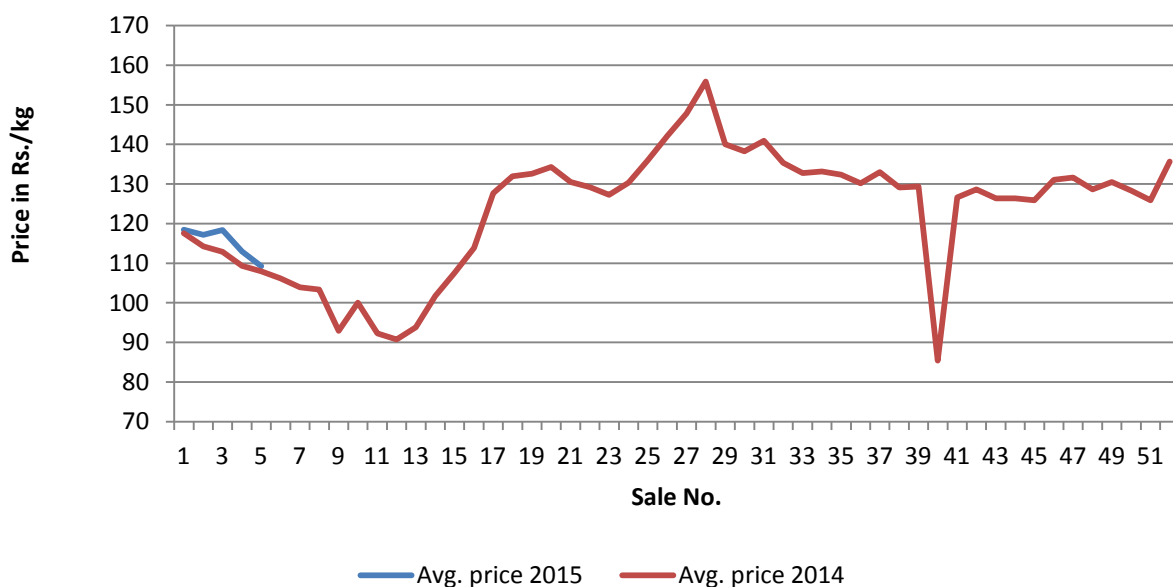
The above graph shows production comparison region wise during the last two years and in the month of May in comparison with previous year. In the year 2014 (Apr –Mar), production increased by 6.5% to 1208.78 million kgs mainly on account of increase in production in Assam. In the current year in the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

Period	Qty	North India		South India		All India
		Value	Qty	Value	Qty	
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

Salewise Price of All Tea at All 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.

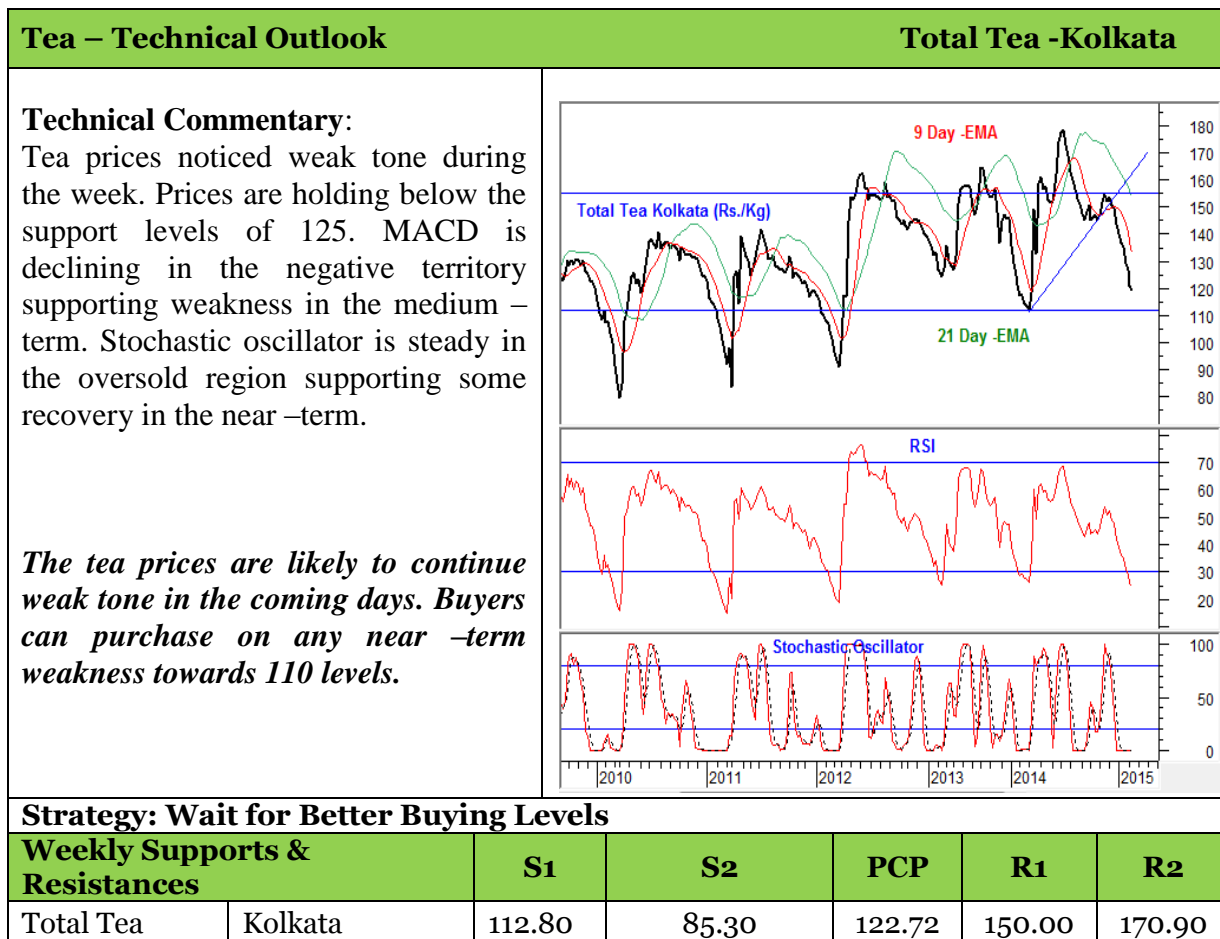
Weekly Average Prices at Indian Auction Centers for week ending 2014-02-14

Variety	Kolkata	Guwahati	Siliguri	Jalpaiguri	Cochin	Coonoor	Coimbatore	Tea Serve
CTC All Dust	121.37(116.41)	101.07(110.58)	97.65(98.58)	NS(NS)	99.95(111.91)	78.95(85.79)	80.87(89.69)	60.67(73.82)
Total Tea	122.72(116.50)	101.03(110.58)	97.65(98.58)	NS(NS)	103.51(112.37)	79.29(86.16)	80.83(89.72)	60.67(73.82)

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

Variety	North India	South India	All India
CTC All Dust	107.33(106.97)	84.20(95.14)	101.48(103.60)
Total Tea	(111.030)	(93.21)	(106.16)

(Source: Tea Board)



International Trade Scenario:
Srilanka Tea Auction (Colombo): Sale No: 08 (Price in Srilankan Rs./kg)

	BOP	BOPF
Good Westerns	450 - 650	470 - 580
Average Westerns	430 - 440	420 - 460
Plainer Westerns	410 - 420	375 - 410
Western Mediums	410 - 680	330 - 470
Uva Teas	320 - 435	310 - 470
Nuwara Eliya Teas	590 - 630	500
Udapussellawa Teas	370 - 425	330 - 405
CTC (BP1 and PF1)	350 - 470	340 - 540

In this week's auction, 6.52 million kgs of tea was offered for sale compared to 7.50 million kgs of tea during the previous week. There was steady 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 easy tone and Low Grown CTC's noticed easy tone during the week. There was fair 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 firm tone during the week. The below best and plainer variety noticed weak tone during the week. There was good buying from Iran and Syria and selective demand from Russia.

DETAILS OF TEAS AWAITING SALE

	10		09		08	
AUCTION NO.	10 th / 11 th March 2015		02 nd / 3 rd March 2015		24 th /25 th February 2015	
Dates	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs
Ex Estate	1,053	1,230,346 kg	934	1,086,945 kg	934	1,088,470 kg
Main Sale Total	10,836	6,040,977 kg	11,186	6,164,298 kg	9,994	5,429,534 kg
High & Medium	1,304	737,882 kg	1,267	700,939 kg	1,148	639,451 kg
Low Growns Leafy	3,879	1,848,790 kg	3,916	1,861,431 kg	3,667	1,749,690 kg
	2,545	1,585,471 kg	2,683	1,667,785 kg	2,445	1,500,160 kg
Tippy						
Premium/Flowery	346	82,080 kg	415	111,494 kg	500	120,043 kg
Off Grades	2,132	1,179,298 kg	2,327	1,282,727 kg	1,747	954,387 kg
Dust	630	607,456 kg	578	539,922 kg	487	465,803 kg
Grand Total	11,889	7,271,323 kg	12,120	7,251,243 kg	10,928	6,518,004 kg
Reprints	1,166	678,614 kg	1,389	767,446 kg	701	396,199 kg
Scheduled to Close (Ex)		19.02.15		12.02.15		06.02.15
Dates (Ms)		20.02.15		13.02.15		06.02.15

Scheduled Closing Dates

Auction No. 09 : 02nd/03rd March 2015

Ex Estate : 12.02.2015

Main Sale : 13.02.2015

Auction No. 11 : 17^h/18^h March 2015

Ex Estate : 26.02.2015

Main Sale : 27.02.2015

Auction No. 10 : 10th/11th March 2015

Ex Estate : 19.02.2015

Main Sale : 20.02.2015

Auction No. 12 : 24th /25th March 2015

Ex Estate : 06.03.2015

Main Sale : 06.03.2015

(Source: John Keells Tea Brokers)

Kenya Tea Auction (Mombasa): Sale No: 08

QUOTATIONS	BROKENS	FANNINGS
Best	296 - 551	446 - 479
Good	349 - 403	427 - 454
Good Medium	322 - 414	419 - 458
Medium	343 - 465	383 - 422
Lower Medium	150 - 371	174 - 317
Plain	96 - 166	96 - 234 (SL RUPEES)

During the week good demand noticed for 8,991,609 kilos of tea on offer. Brighter DUST1s were USC26 to USC62 higher with mediums lower up to USC32 and prices of lower mediums were firm to USC40 higher during the week. Prices of Brighter BP1's noticed firm tone and increased up to USC14 higher, prices of mediums were up to USC32 lower and prices of lower mediums were lower up to USC5. Other varieties like Brighter Pdusts, Lower Medium PF1's noticed mixed tone during the week.

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

(Source: Africa Tea Brokers)

Indonesia Tea Auction (Jakarta): Sale No: 08

Orthodox	OFFERED		SOLD		%
PTPN ESTATE	9.700	519.760 Kg	7.080	374.460 Kg	72.04
PRIVATE ESTATE	---	--- Kg	---	--- Kg	--,--
TOTAL	9.700	519.760 Kg	7.080	374.460 Kg	72.04
C.T.C	OFFERED		SOLD		%
PTPN ESTATE	1.720	97.040 Kg	1.540	87.740Kg	90.42
PRIVATE ESTATE	---	---- Kg	---	--- Kg	--,--
TOTAL	1.720	97.040 Kg	1.540	87.740 Kg	90.42
TOTAL	11.420	616.800 Kg	8.620	462.200 Kg	74.94

(Prices in US cents/kg)

Orthodox First Grades						
BOP.I	BOP	BOPF	PF	DUST	BT	BP
159-223	128-214	101-182	100-214	103-198	90-150	-

Orthodox Secondary Grades				
PF.II	DUST.II	BT.II	BP.II	DUST.III
90-191	100-122	100-110	162	100-127

CTC First and Secondary Grades						
BP.1	PF.1	PD	D.1	FANN	D.2	D.3
147-177	153-210	161-200	151-236	105-194	169-188	---

Market offerings increased to 11,420 paper sacks from 11,220 paper sacks. There was good demand in the market around current levels. Average price increased to USDcts 153.33 instead of USDcts 147.56 during last week's auction. Average price of Orthodox variety increased to USDcts 149.85 and average price of CTC declined to USDcts 167.53. Secondary variety and Fannings noticed easy tone. Quantity sold increased to 74.94% during the period compared to 68.13% during last auction.

OFFERING FOR THE NEXT AUCTION

PRODUCER	Orthodox		C.T.C	
	04/03/15	11/03/15	04/03/15	11/03/15
PTPN. IV	3.040 S	1.720 S	-	-
PTPN. VI	520 S	360 S	200 S	260 S
PTPN. VII	1.100 S	1.200 S	- S	- S
PTPN. VIII	7.040 S	4.920 S	720 S	420 S
PTPN. IX	480 S	340 S	-	-
PTPN. XII	- S	- S	560 S	480 S
Total Estate	12.180 S	8.540 S	1.480 S	1.160 S
Pagilaran	- S	- S	- S	- S
Total Private	- S	- S	- S	- S
Grand Total	12.180 S	8.540 S	1.480 S	1.160 S

(Source: TEH)

Bangladesh Tea Auction (Chittagong): Sale No: 40

(In Taka/kg)

BROKENS	QUOTATIONS	FANNINGS	QUOTATIONS
Large/Bold	NQTA	Best	205-225
Medium	145-165	Good	190-200
Small	165-180	Medium	160-170
Plain	90-120	Plain	90-120

Tea prices at Bangladesh tea auction declined during the week amid supply of poor grade leaf in the market and political unrest in the country. The average price of tea during this week's auction was around USD 2.40/kg. Around 1.63 million kgs of tea was offered for sale and nearly 31 percent remained unsold.

There was good demand from blenders and some buying support from loose tea buyers. 24,783 packages of CTC Leaf noticed improved demand. 5,011 packages on offer of CTC Dust noticed good buying interest. 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)

<u>Country</u>	MONTH	2014	2013	CUMULATIVE	2014	2013	CUMULATIVE + INC./-DEC.
Sri Lanka	Dec.	24.3	30.2	Up to Dec.	338.0	340.0	- 2.0
North India	Dec.	40.1(E)	39.3	Up to Dec.	943.6(E)	958.6	- 15.0
South India	Dec.	17.5(E)	17.9	Up to Dec.	241.2(E)	241.8	- 0.6
Kenya	Dec.	45.07	41.72	Up to Dec.	445.10	432.45	+ 12.65
Bangladesh	Dec.	3.8	5.3	Up to Dec.	64.5	66.3	- 1.8
Malawi	Dec.	1.8	4.0	Up to Dec.	45.9	46.5	+ 3.3

(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	28-02-2015	21-02-2015
USD	61.63	62.13
Srilankan Rupee	0.4633	0.4679
Indonesian Rupiah	0.0047	0.0048
Kenyan Shilling	0.6747	0.6798
Bangladeshi Taka	0.7917	0.7987

Overall Outlook and Recommendation:

In the domestic market, prices noticed range –bound to weak tone during the week. Quantity offered on sale increased during the week compared to previous week amid favourable weather in the growing regions. There was not much demand from exporters in the market. Prices are likely to notice range –bound to weak tone in the near –term.

In the global market, prices noticed mixed tone. Quantity offered on sale increased during the week compared to previous week. Future offering of tea is likely to increase in Srilanka and Indonesia in the coming week. There is not much demand in the market. Prices are likely to notice range –bound to weak tone in the coming days.

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