News Highlights.

- The new tea season seems to start on a sluggish note in the current year. Prices are lower than last year amid sluggish arrivals, inadequate rains in upper and lower Assam and unsold stocks from last year. According to sources at Indian Tea Association, old teas are being sold at Rs. 80-100 per kg. Last year prices were high amid no carryover stock, good demand and lower production.

- Currently prices of some Assam teas are around Rs. 200 per kg compared to Rs.220 per kg during previous year. For the past few years, prices had opened with a firm note at the beginning of the new season.

- The Assam Government has decided to come up with comprehensive tea policy in the state budget 2015 -16 to ensure the quality of the state tea. Cold storage facility will be set up for small tea growers and an incentive of Rs. 10 lakh will be given for setting up of bought leaf factories by small growers self help groups. The budget increased VAT on private sale of tea in Guwahati tea auction centre from 1 per cent to 2 per cent.

- Export of premium Indian orthodox tea to Iran is likely to double this year as India and Russia have sorted out pesticide issue. Tea producers are expecting to export around 30 million kg of tea to Iran in 2015.

- According to Kenya Tea Development Agency, tea earnings for the financial year ending June are likely to remain steady. Initially earnings were expected to drop amid hot and dry weather in the tea growing regions. Average price at the auction has increased during the recent weeks amid lower production.

- The tea agency is currently diversifying into orthodox teas, with about 12 factories earmarked for an orthodox production line. The investment in orthodox tea production is expected to diversify Kenya's tea product and enable exports into newer markets.

- Tea factories in Kenya, the world’s biggest exporter of the black variety of the leaves is planning to scale down operations amid decline in output. The drought in the country is likely to affect production and quantity on offer has declined during the week.

- In the 2013/14 (July-June) financial year, Kenya Tea Development Agency produced 1.1 billion kg of the green leaf, roughly the same level as the year before. About 4.4 kg of green leaves produce 1 kg of black tea.

Domestic Trade Scenario:

Indian Tea Auctions

Kolkata Tea Auction: Sale No: 10 (Price in Rs./kg)

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	-	-	-
ORTHODOX	161.87	53000	53000
DARJEELING	-	-	-
DUST	-	-	-

(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 good demand for Orthodox variety tea and exporters were active in the market. There was also demand from local and internal buyers in the market. Prices are likely to notice weak tone in the coming days.

Guwahati Tea Auction: Sale No: 10 (Price in Rs./kg)

Guwahati	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	105.80	9,34,000	4,61,000
Dust	101.69	2,38,000	1,41,000

(Source: CTTA, Parcon India)

Prices noticed firm tone during the week. Quantity offered on sale increased during the week compared to previous week. There is less demand in the market around current levels. Withdrawals are noticed in the market. There was demand from internal buyers and selective demand from Hindustan Unilever Ltd. and Duncans. Prices are likely to notice range –bound to firm tone in the near –term.

Siliguri Tea Auction: Sale No: 10 (Price in Rs./kg)

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	72.67	2,83,000	2,42,000
CTC Leaf	77.74	19,10,000	16,08,000

(Source: CTTA)

Prices noticed mixed tone during the week. Quantity offered on sale declined during the week compared to previous week. There was good demand in the market around lower levels. Buying interest was noticed from internal buyers. There was selective demand from exporters. Prices are likely to notice weak tone in the coming days.

Jalpaiguri Tea Auction: Sale No: 10 (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: 12 (Price in Rs./kg)

Cochin	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	96.80	961842.50	790519.90
CTC Leaf	72.22	92123.00	66519.00
Orthodox Dust	62.51	11774.00	7014.00
Orthodox Leaf	126.90	92135.00	82122.00

(Source: Paramount Marketing, Coimbatore)

Prices noticed weak tone during the week. Quantity offered on sale increased during the week compared to previous week. Demand is usually lower during the summer season. Some buying interest from AVT, Kerala State Civil Supplies and Tata Global lent support to the market. Lack of enquiry from exporters weighed on prices. Prices are likely to notice weak tone in the coming days.

Coimbatore Tea Auction: Sale No: 12 (Price in Rs./kg)

Coimbatore	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	82.07	250979.00	174469.00
CTC Leaf	76.58	109881.00	93936.00
Orthodox Dust	68.58	24291.00	18491.00
Orthodox Leaf	89.65	4633.00	4392.00

(Source: Paramount Marketing, Coimbatore)

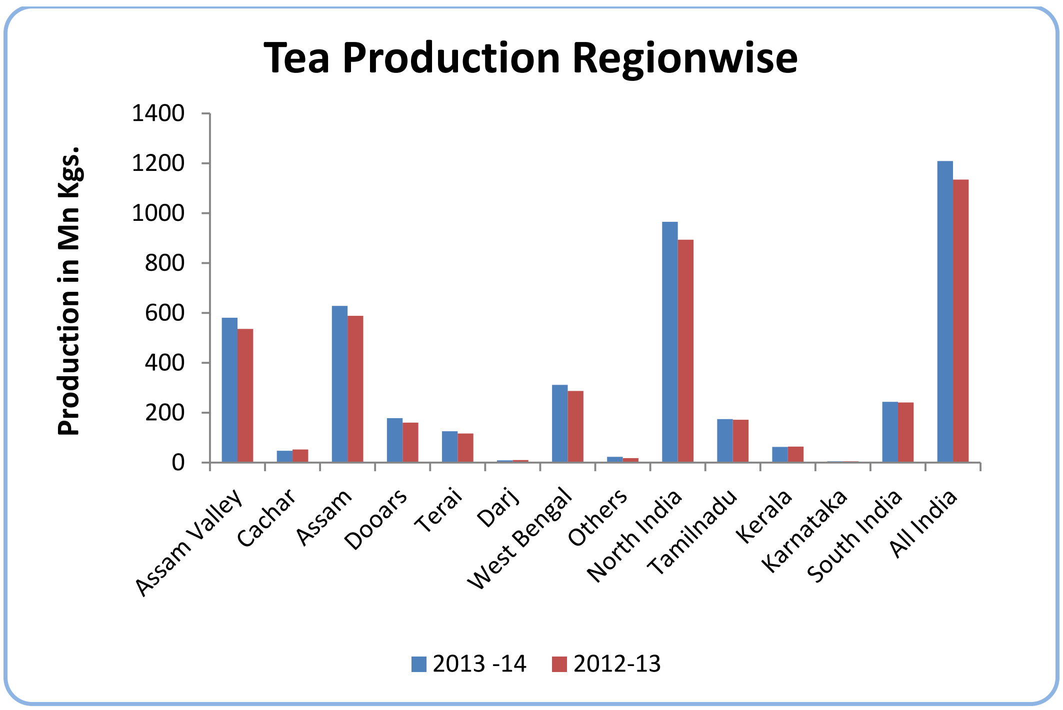
Prices noticed firm tone during the week. Quantity offered on sale declined during the week compared to previous week. There was demand for Select Best Nilgiri from exporters. Withdrawals were noticed in plainer varieties. Prices are likely to notice range –bound to firm tone in the near –term.

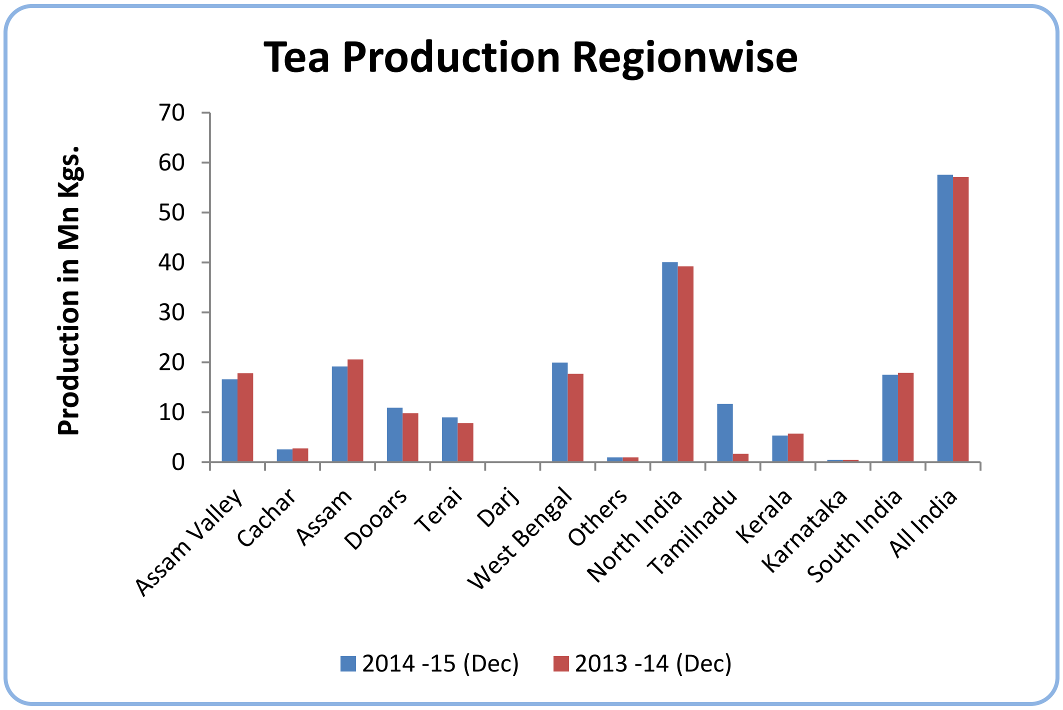
Coonoor Tea Auction: Sale No: 12 (Price in Rs./kg)

Coonoor	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	81.07	319755.00	241519.00
CTC Leaf	76.68	623078.50	466823.50
Orthodox Dust	87.69	44826.00	39531.00
Orthodox Leaf	95.18	44479.00	40855.40

(Source: Paramount Marketing, Coimbatore)

Prices noticed firm tone during the week. Quantity offered on sale increased during the week compared to previous week. Arrivals are higher amid dry weather in the tea growing regions. Demand from blenders and loose tea buyers lent some support to the market. Prices are likely to notice firm tone in the coming days.





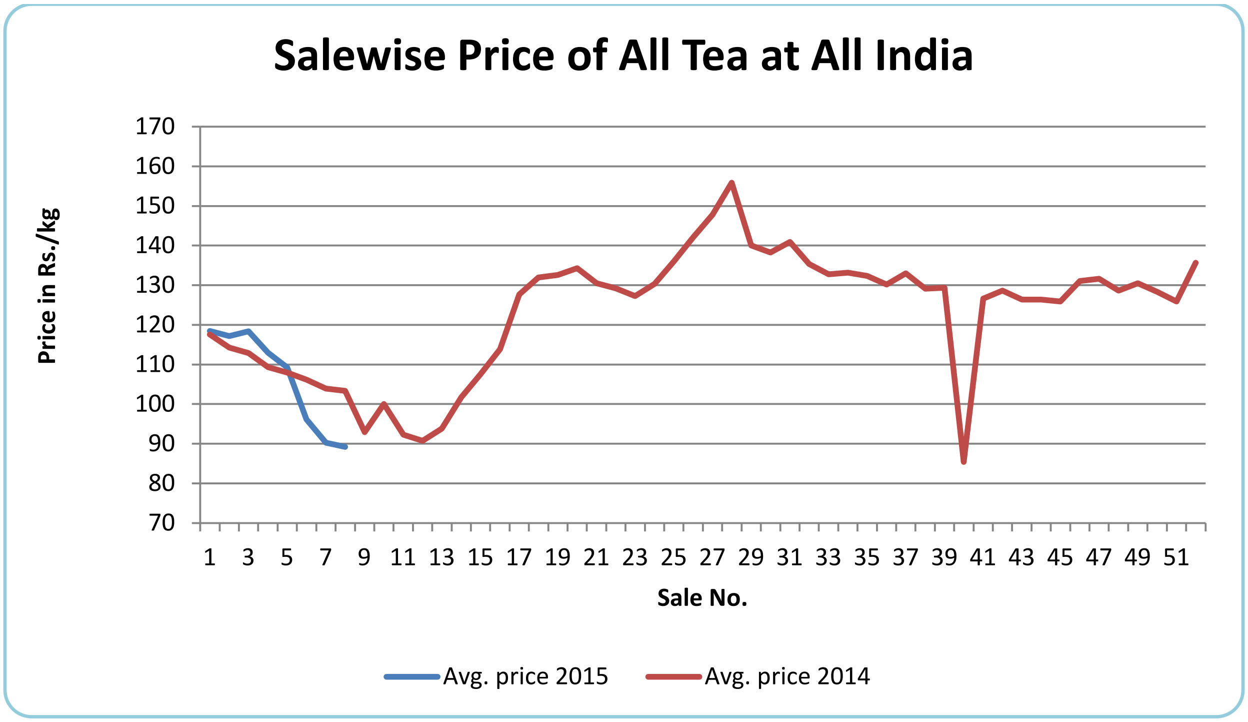
(Source: Tea Board)

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		
	Qty	Value	Unit Price	Qty	Value	Unit Price	Qty	Value	Unit Price
Apr-Dec 2014 (P)	80.42	1996.9	248.3	61.41	835.17	136	141.83	2832.02	199.68
Apr-Dec 2013	97.41	2424.9	248.93	68.95	987.32	143.19	166.36	3412.17	205.11
Inc/Dec in %	-17.44	-17.65	-0.25	-10.94	-15.41	-5.02	-14.75	-17	-2.65
Jan-Dec 2014 (P)	116.29	2777.31	238.83	84.94	1151.63	135.58	201.23	3928.94	195.25
Jan-Dec 2013	128.08	3075.87	240.15	90.98	1279.36	140.62	219.06	4355.23	198.81
Inc/Dec in %	-9.21	-9.71	-0.55	-6.64	-9.98	-3.58	-8.14	-9.79	-1.79

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 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 2014-03-14

Variety	Kolkata	Guwahati	Siliguri	Jalpaiguri	Cochin	Coonoor	Coimbatore	Tea Serve
CTC All Dust	91.99 (NS)	104.98 (NS)	77.08 (NS)	NS(NS)	95.85 (106.92)	77.67 (80.85)	79.32 (85.76)	66.16 (70.64)
Total Tea	94.69 (NS)	104.98 (NS)	77.08 (NS)	NS(NS)	98.76 (108.24)	78.34 (81.50)	79.38 (85.75)	66.16 (70.64)

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

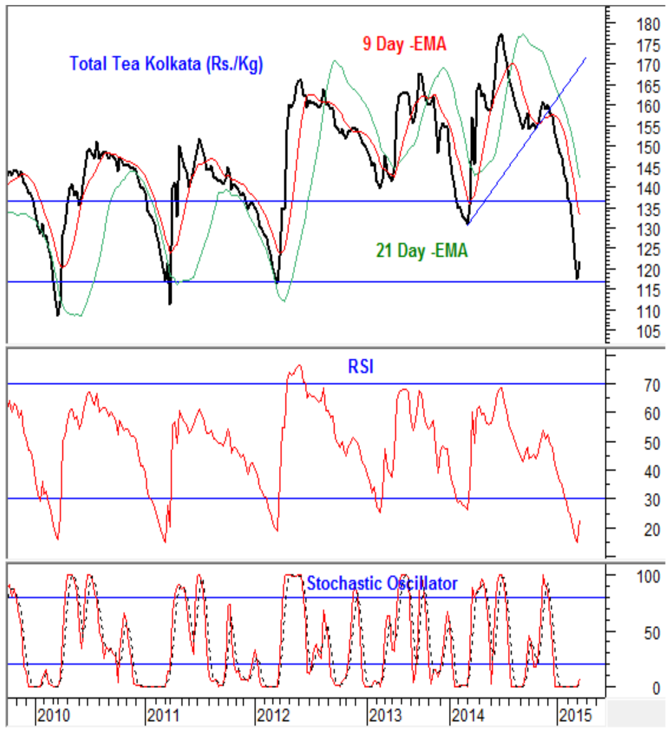
Variety	North India	South India	All India
CTC All Dust	87.45(NS)	83.26(91.20)	86.05 (91.20)
Total Tea	88.74 (NS)	84.86(92.24)	87.42(92.24)

(Source: Tea Board)

Tea – Technical Outlook — Total Tea -Kolkata

Technical Commentary:
Tea prices noticed recovery during the week. After the recent decline in prices, recovery was expected. Prices are holding below 9 –Day and 21 –Day EMA supporting the overall weak tone of the market. RSI is increasing in the oversold region supporting some recovery in the near –term.

The tea prices are likely to continue recovery towards 120 levels in the coming days. Buyers can purchase around current levels for their near –term requirement.



Strategy: Buy Around Current Levels

Weekly Supports & Resistances		S1	S2	PCP	R1	R2
Total Tea	Kolkata	75.10	60.00	94.69	100.00	150.10

International Trade Scenario:

Srilanka Tea Auction (Colombo): Sale No: 11 (Price in Srilankan Rs./kg)

	BOP	BOPF
Good Westerns	440 - 960	440 - 540
Average Westerns	410 - 430	410 - 430
Plainer Westerns	345 - 400	360 - 400
Western Mediums	385 - 600	365 - 490
Uva Teas	365 - 400	300 - 420
Nuwara Eliya Teas	550 - 800	330 - 540
Udapussellawa Teas	370 - 405	350 - 430
CTC (BP1 and PF1)	350 - 430	320 - 530

In this week's auction, 7.16 million kgs of tea was offered for sale compared to 7.27 million kgs of tea during the previous week. There was good 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 easy tone. In the Tippy catalogues, better made FBOP and FF1's noticed firm tone during the week. The below best and plainer variety noticed firm tone during the week. There was less demand from Russia and Syria. There was some buying from Iraq and Libya.

AGRIWATCH

Tea Weekly
21 March 2015

DETAILS OF TEAS AWAITING SALE

AUCTION NO.	13		12		11	
Dates	30th/31st March 2015		24th/25th March 2015		17th/18th March 2015	
	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs
Ex Estate	1,076	1,271,584 kg	1,100	1,292,789 kg	1,106	1,285,263 kg
Main Sale Total	10,474	5,880,095 kg	10,092	5,626,172 kg	10,513	5,878,771 kg
High & Medium	1,246	687,164 kg	1,253	710,693 kg	1,475	819,798 kg
Low Growns Leafy	3,760	1,807,171 kg	3,563	1,654,530 kg	3,620	1,712,010 kg
Tippy	2,456	1,544,459 kg	2,364	1,445,340 kg	2,390	1,461,497 kg
Premium/Flowery	417	102,298 kg	300	77,026 kg	283	66,259 kg
Off Grades	1,975	1,136,964 kg	2,036	1,177,614 kg	2,134	1,213,204 kg
Dust	620	602,039 kg	576	560,969 kg	611	606,003 kg
Grand Total	11,550	7,151,679 kg	11,192	6,918,961 kg	11,619	7,164,034 kg
Reprints	657	403,540 kg	896	548,401 kg	912	507,685 kg
Scheduled to Close (Ex)		12.03.15		06.03.15		26.02.15
Dates (Ms)		13.03.15		06.03.15		27.02.15

Scheduled Closing Dates

Auction No. 12 : 24th/25th March 2015
Ex Estate : 06.03.2015
Main Sale : 06.03.2015

Auction No. 13 : 30th/31st March 2015
Ex Estate : 12.03.2015
Main Sale : 13.03.2015

Auction No. 14 : 07th/08th April 2015
Ex Estate : 19.03.2015
Main Sale : 20.03.2015

Auction No. 15 : 21st/22nd April 2015
Ex Estate : 26.03.2015
Main Sale : 27.03.2015

(Source: John Keells Tea Brokers)

Kenya Tea Auction (Mombasa): Sale No: 11

AUCTION AVERAGE PRICE

AUCTION	KENYA 2014	KENYA 2015	TOTAL 2014	TOTAL 2015
09	$2.21	$2.67	$2.13	$2.50
10	$2.12	$2.85	$2.03	$2.64
11	$2.15	$2.76	$2.07	$2.57

QUOTATIONS	BROKENS	FANNINGS	
Best	377 - 460	455 - 474	
Good	369 - 410	449 - 460	
Good Medium	350 – 430	444 - 455	
Medium	249 – 409	383 - 430	
Lower Medium	156 - 245	181 - 339	
Plain	107 - 272	115 - 293	(SL RUPEES)

During the week good demand noticed for 7,582,902 kilos of tea on offer. Brighter DUST1s were UCS6 to USC26 higher with mediums higher up to USC42 and prices of lower mediums were lower to USC76 during the week. Prices of Brighter BP1's noticed weak tone and were lower up to USC75, prices of mediums were up to USC26 lower and prices of lower mediums were USC6 up to USC16 lower. 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 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 firm tone. There was good buying interest from Egyptian Packers, Yemen and other middle –eastern countries. There was less buying interest from Pakistan Packers, U.K., Russia and Iran. There was some buying interest from Sudan, Afghanistan and Bazaar. There was some buying support from Somalia around lower levels.

(Source: Africa Tea Brokers)

Indonesia Tea Auction (Jakarta): Sale No: 11

Orthodox	OFFERED		SOLD		%
PTPN ESTATE	11.180	588.160 Kg	6.040	320.540 Kg	54.50
PRIVATE ESTATE	---	--- Kg	---	--- Kg	--,--
TOTAL	11.180	588.160 Kg	6.040	320.540 Kg	54.50
C.T.C	**OFFERED**		**SOLD**		**%**
PTPN ESTATE	1.400	79.320 Kg	960	55.580 Kg	70.07
PRIVATE ESTATE	---	---- Kg	---	--- Kg	--,--
TOTAL	1.400	79.320 Kg	960	55.580 Kg	70.07
TOTAL	12.580	667.480 Kg	7.000	376.120 Kg	56.35

(Prices in US cents/kg)

Orthodox First Grades						
BOP.I	BOP	BOPF	PF	DUST	BT	BP
159	136-197	100-113	113-200	107-192	95-141	-

Orthodox Secondary Grades				
PF.II	DUST.II	BT.II	BP.II	DUST.III
99-202	103-124	90-106	-	112-130

CTC First and Secondary Grades						
BP.1	PF.1	PD	D.1	FANN	D.2	D.3
136-151	161-206	161-202	157-248	101-193	148-190	---

Market offerings increased to 12,580 paper sacks from 9,700 paper sacks. There was fair demand in the market around current levels. Average price declined to USDcts 145.22 instead of USDcts 148.61 during last week's auction. Average price of Orthodox variety declined to USDcts 140.05 and average price of CTC increased to USDcts 171.54. Secondary variety and Fannings noticed easy tone. Quantity sold declined to 56.35% during the period compared to 77.20% during last auction.

OFFERING FOR THE NEXT AUCTION

PRODUCER	Orthodox 25/03/15	Orthodox 01/04/15	C.T.C 25/03/15	C.T.C 01/04/15
PTPN. IV	1.140 S	1.260 S	-	-
PTPN. VI	280 S	800 S	400 S	520 S
PTPN. VII	980 S	1.360 S	160 S	260 S
PTPN. VIII	6.540 S	5.580 S	380 S	520 S
PTPN. IX	200 S	280 S	-	-
PTPN. XII	- S	- S	420 S	480 S
Total Estate	9.140 S	9.280 S	1.360 S	1.780 S
Pagilaran	- S	- S	- S	- S
Total Private	- S	- S	- S	- S
Grand Total	9.140 S	9.280 S	1.360 S	1.780 S

(Source: TEH)

Bangladesh Tea Auction (Chittagong): Sale No: 43

(In Taka/kg)

BROKENS	QUOTATIONS	FANNINGS	QUOTATIONS
Large/Bold	NQTA	Best	210-225 nom
Medium	130-155	Good	180-190 nom
Small	145-165	Medium	140-150
Plain	90-130	Plain	90-130

Tea prices at Bangladesh tea auction declined during the week amid lower supply of tea in the market and political unrest in the country. The average price of tea during this week’s auction was around USD 1.82/kg. Around 881,550 kgs of tea was offered for sale and nearly 31 percent remained unsold.

There was good demand from loose tea buyers and some buying support from blenders. 13,500 packages and 10 packages of CTC Leaf of old season noticed good demand. 2,597 packages and 60 packages of old season 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)

Country	MONTH	2014 2015*	2013 2014*	CUMULATIVE	2014 2015*	2013 2014*	CUMULATIVE + INC./-DEC.
Sri Lanka	Jan.*	23.2*	25.4*	Up to Jan.*	23.2*	25.4*	- 2.2
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	Jan.*	41.6*	44.9*	Up to Jan.*	41.6*	44.9*	- 3.30
Bangladesh	Jan.*	0.16*	0.23*	Up to Jan.*	0.16*	0.23*	- 0.07
Malawi	Jan.*	6.48*	8.20*	Up to Jan.*	6.48*	8.20*	- 1.72

(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	21-03-2015	14-03-2015
USD	62.32	62.86
Srilankan Rupee	0.4688	0.4697
Indonesian Rupiah	0.0048	0.0047
Kenyan Shilling	0.6773	0.6855
Bangladeshi Taka	0.8010	0.8076

Overall Outlook and Recommendation:

In the domestic market, prices noticed mixed tone. Quantity offered on sale declined during the week compared to previous week. The first flush of tea is expected in the market in the coming weeks. The production of first flush of tea could be affected following rains in the months of December and January in the tea growing regions. Prices are likely to notice range –bound to firm tone in the near –term.

In the global market, prices noticed range –bound to weak tone. Offerings at the auction centers are lower compared to previous week. Weather is conducive in the tea growing regions. Dry spells in Kenya is likely to affect tea output in the medium –term. 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.