News Highlights.

- Tea Production is declining in India amid rising mercury and lack of sufficient rainfall in the tea growing regions. According to a group of leading scientists, monsoons are becoming unpredictable in India and glaciers are retreating, thereby affecting production of tea. In 2014 - 15, production of tea has declined by 11.6 million kg to 1197.18 million kg compared to previous year. During Jan –Mar 2015, production of tea has declined to 13.32 million kg in Assam and 19.28 million kg in West Bengal compared to 17.49 million kg and 24.48 million kg respectively during the same period previous year.

- Organic green tea fetched a record price of Rs.2501 per kg. at Guwahati auction centre during this week. The green tea has many health benefits and belonged to Deha tea estate situated in Jorhat district of Assam. The total quantity offered was 21 kg and was produced in mid –May. This was the first time for any organic tea to be offered at the auction.

- Tea gardens and green tea produced in the hilly terrains of tribal Jashpur district are becoming popular in local markets and in adjoining states. The breakthrough has happened in 2010 with one of the social welfare organisations (Sogada Ashram) succeeding in its pilot project of growing tea on one acre land. Slowly tea cultivation has picked up in eight acres.

- The Guwahati Tea Auction Centre (GTAC) has decided to allow sale of green tea through its auction platform. This is the first time that green tea is auctioned. According to a GTAC member, the decision has been taken with a view to provide the green tea manufacturers of northeastern states a fair market to fetch competitive prices for these high –value teas.

- Tea gardens traditionally known for in the Kangra region of Himachal Pradesh is seeing the growth of apple trees in the tea plantations. The Kangra's tea industry is struggling to compete with tea varieties of Assam and Sikkim in the market. The farmers in the region are thinking to try their fortune with the low chilling variety apple as the region does not get adequate rainfall required for the traditional variety.

- Global output of black tea has declined by 11.12% to 303.98 million kg so far this calendar year compared to the same period previous year. Kenya's production has declined by 30.51 million kg, India's by 10.80 million kg and Malawi's output declined by 3.24 million kg to 24.90 million kg. Srilanka is the only major producer recording a higher output by 8.35 million kg to 110.77 million kg till April 2015.

Domestic Trade Scenario:

Indian Tea Auctions

Kolkata Tea Auction: Sale No: 23 (Price in Rs./kg)

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	153.21	16,11,000	10,53,000
ORTHODOX	212.47	4,26,000	3,79,000
DARJEELING			
DUST	160.73	5,89,000	4,13,000

(Source: CTTA, Parcon)

Prices noticed firm tone during the week except slight weakness in Dust variety. Quantity offered on sale increased during the week compared to previous week. There was good demand for Best Assam and Dooar and fair demand for other varieties. Good quality Liquoring sorts noticed firm tone. There was some enquiry from Hindustan Unilever Limited and Tata Global. Exporters and blenders were active in the market. In the Orthodox variety, Well Made Tippy Sorts noticed firm tone and there was good demand from exporters. Prices are likely to notice firm tone in the near –term.

Guwahati Tea Auction: Sale No: 23 (Price in Rs./kg)

Guwahati	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	149.82	19,42,000	12,95,000
Dust	153.50	11,27,000	6,26,000

(Source: CTTA, Parcon)

Prices noticed firm tone during the week. Quantity offered on sale increased during the week compared to previous week. There was good demand for quality tea and fair for other varieties. Good sorts noticed firm tone. Other varieties noticed withdrawal during the week. Internal buyers were active and there was selective demand from exporters. Prices are likely to notice range –bound to firm tone in the coming days.

Siliguri Tea Auction: Sale No: 24 (Price in Rs./kg)

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	121.62	3,92,000	2,88,000
CTC Leaf	131.79	26,11,000	19,39,000

(Source: Associated Brokers)

Prices noticed weak tone during the week. Quantity offered on sale increased during the week compared to previous week. There was good demand for Select Best Sorts and there was fair demand for other varieties. Liquoring Dusts noticed firm tone during the week. Internal buyers were active in the market. There was buying interest from Hindustan Unilever and Tata Global. Prices are likely to notice weak tone in the coming days.

Jalpaiguri Tea Auction: Sale No: 23 (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: 24 (Price in Rs./kg)

Cochin	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	88.52	1292843.2	1042645.7
CTC Leaf	72.79	72209.0	58105.0
Orthodox Dust	65.05	18329.0	6363.0
Orthodox Leaf	134.26	182912.0	137867.00

(Source: Paramount Marketing, Coimbatore)

Prices noticed mixed tone during the week. Quantity offered on sale increased during the week compared to previous week. CTC Dust and Orthodox Leaf variety noticed firm tone amid good demand from the blenders and exporters respectively. There was good demand from Kerala State Civil Supplies and Tata Global. Prices are likely to notice range –bound to firm tone in the near –term.

Coimbatore Tea Auction: Sale No: 24 (Price in Rs./kg)

Coimbatore	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	71.97	342641.0	252463.0
CTC Leaf	63.50	177088.0	131083.0
Orthodox Dust	68.71	10210.0	5534.0
Orthodox Leaf	90.62	2377.0	1679.00

(Source: Paramount Marketing, Coimbatore)

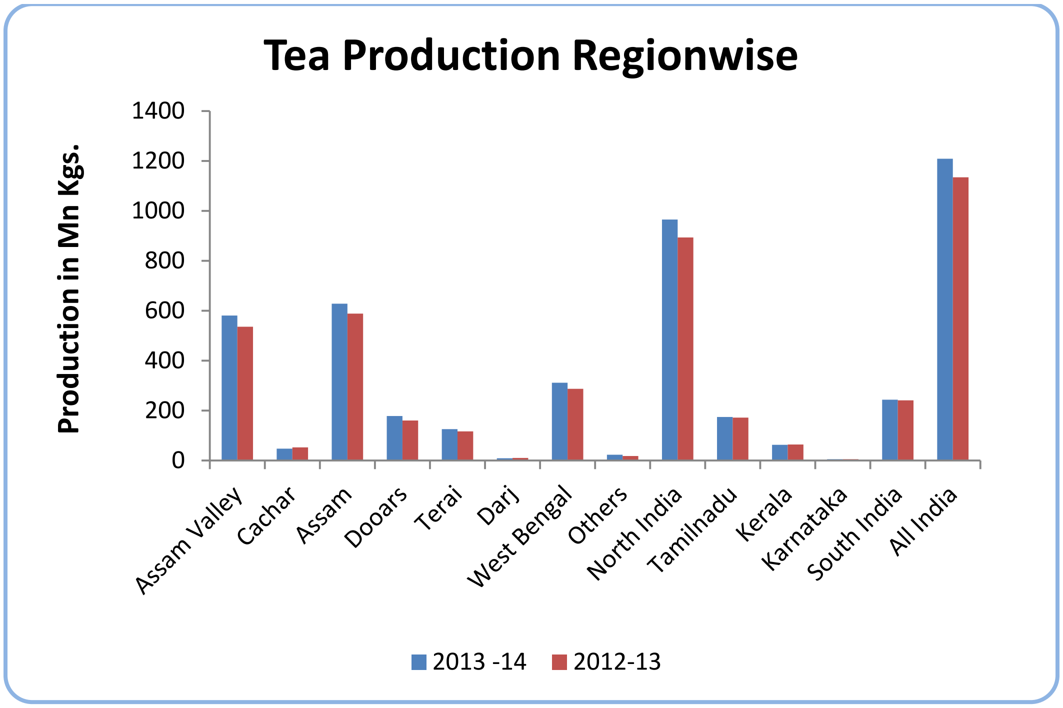
Prices noticed mixed tone during the week. Quantity offered on sale declined during the week compared to previous week. Orthodox variety tea noticed good demand from the exporters. There was not much demand from the internal buyers in the market. There was some enquiry for Nilgiri Broken variety. Prices are likely to notice easy tone in the coming days.

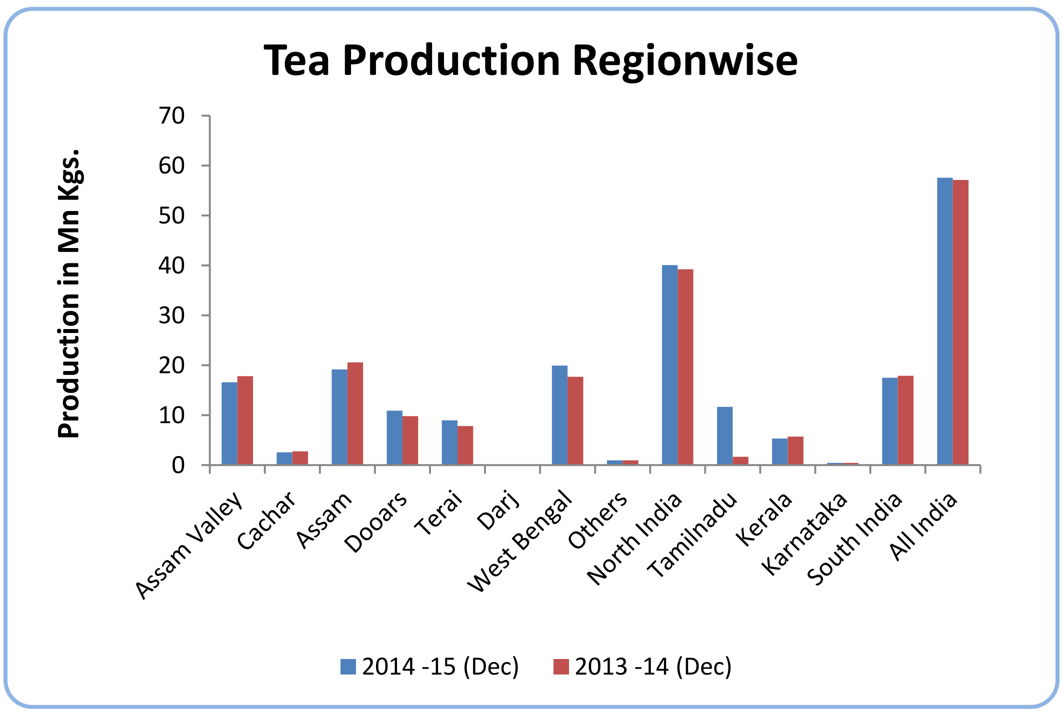
Coonoor Tea Auction: Sale No: 24 (Price in Rs./kg)

Coonoor	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	66.60	532752.5	452488.0
CTC Leaf	60.48	1269006.0	984303.5
Orthodox Dust	87.07	51727.0	41369.0
Orthodox Leaf	90.70	55921.0	52635.10

(Source: Paramount Marketing, Coimbatore)

Prices noticed firm tone during the week except CTC Dust variety. Quantity offered on sale declined during the week compared to previous week. There was not much demand from blenders for CTC Dust variety. Demand from exporters for the Orthodox variety added to the positive tone of the market. Prices are likely to notice range –bound to firm tone in the coming days.





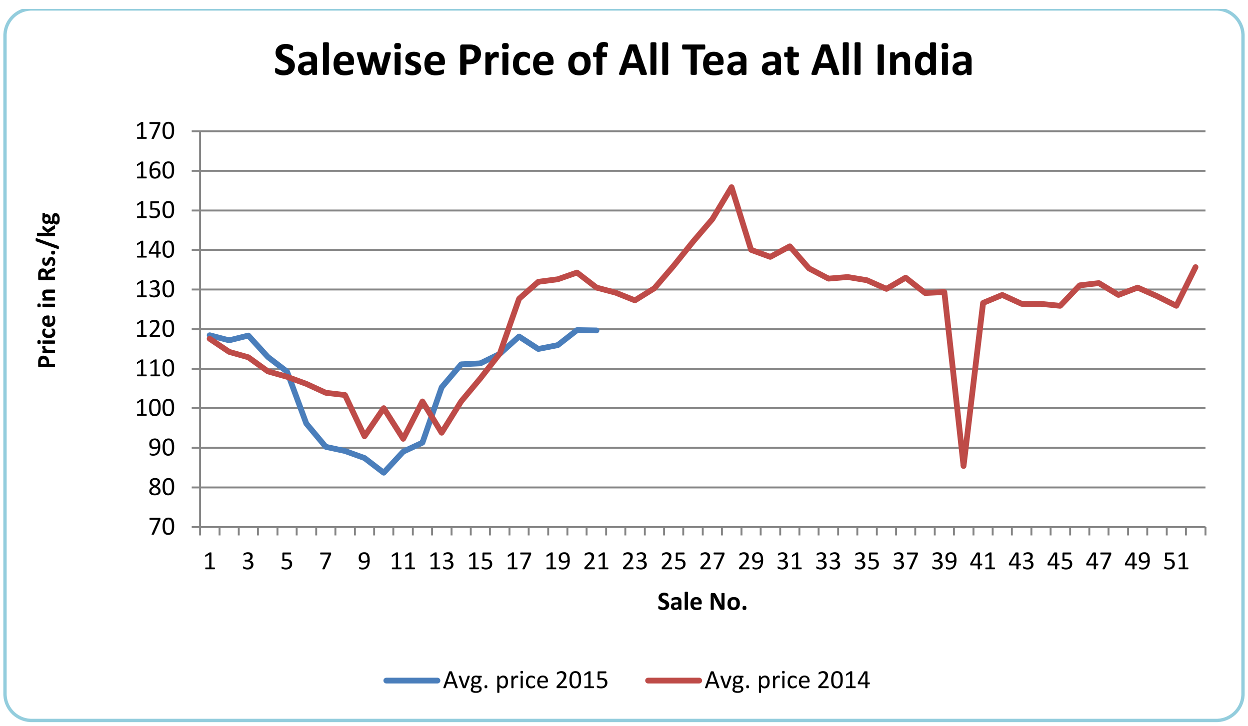
(Source: Tea Board)

The above graph shows region wise production comparison, 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 to 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. 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 slightly during the week compared to previous week.

Weekly Average Prices at Indian Auction Centers for week ending 2014-06-06

Variety	Kolkata	Guwahati	Siliguri	Jalpaiguri	Cochin	Coonoor	Coimbatore	Tea Serve
CTC All Dust	153.48(162.49)	149.24(163.45)	133.00(143.90)	NS(NS)	88.88(94.48)	62.74(76.43)	70.48(85.56)	52.14(60.00)
Total Tea	164.97(167.12)	149.26(163.40)	133.00(143.90)	NS(NS)	93.58(96.19)	63.90(76.90)	70.70(85.59)	52.14(60.00)

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

Variety	North India	South India	All India
CTC All Dust	143.88 (156.43)	72.21 (84.06)	115.96 (125.15)
Total Tea	147.94 (158.74)	75.13 (85.23)	119.65 (127.29)

(Source: Tea Board)

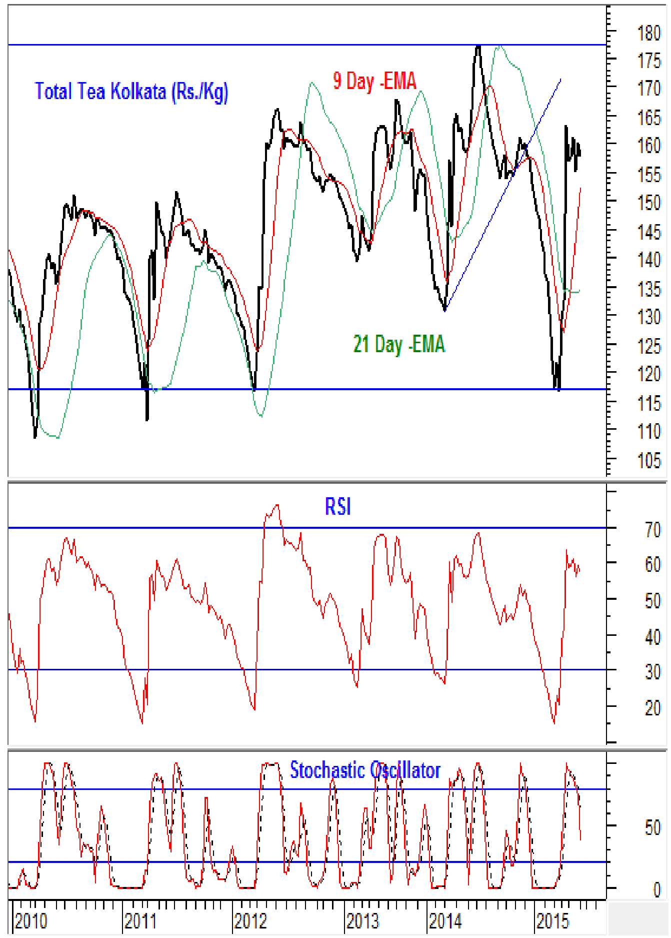
AGRIWATCH

Tea Weekly
13 June 2015

Tea – Technical Outlook	**Total Tea -Kolkata**

Technical Commentary:
Tea prices declined slightly during the week. This near –term weakness should be considered as good buying opportunity. MACD is increasing in the positive territory supporting the overall firm tone of the market in the medium –term. Stochastic oscillator is declining in the neutral region supporting near –term weakness. Traders should consider this near –term weakness as good buying opportunity.

The tea prices are likely to notice firm tone after recent weakness. Traders can consider purchasing around current levels for their near –term requirement.



Strategy: Buy On Near –Term Weakness

Weekly Supports & Resistances		**S1**	**S2**	**PCP**	**R1**	**R2**
Total Tea	Kolkata	150.00	130.00	164.97	180.00	200.00

International Trade Scenario:

Srilanka Tea Auction (Colombo): Sale No: 22 (Price in Srilankan Rs./kg)

	BOP	BOPF
Good Westerns	380 - 415	400 - 450
Average Westerns	340 - 370	370 - 390
Plainer Westerns	300 - 330	320 - 360
Western Mediums	315 - 540	330 - 390
Uva Teas	310 - 380	270 - 400
Nuwara Eliya Teas	NQ.	330 - 340
Udapussellawa Teas	315 - 360	345 - 400
CTC (BP1 and PF1)	300 - 425	300 - 500

In this week's auction, 7.97 million kgs of tea was offered for sale compared to 8.11 million kgs of tea during the previous week. There was fair demand for Select Best teas during the week. Better western BOP's noticed firm tone and BOPF's noticed steady to firm tone during the week. High Grown and Mid Grown CTC's noticed firm 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 firm tone. In the Tippy catalogues, better made FBOP and FF1's noticed weak tone during the week. The below best and plainer variety noticed easy tone during the week. There was good demand from Russia and Iran. There was some demand from Iraq, Libya, Jordon, Syria and Saudi Arabia.

DETAILS OF TEAS AWAITING SALE

AUCTION NO.	24		23		22	
Dates	23rd/24th June 2015		16th/17th June 2015		09th/10th June 2015	
	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs
Ex Estate	1,077	1,195,419 kg	1,091	1,238,368 kg	1,066	1,233,669 kg
Main Sale Total	10,818	6,222,453 kg	11,348	6,644,756 kg	11,421	6,738,289 kg
High & Medium	1,568	947,618 kg	1,504	881,681 kg	1,479	894,031 kg
Low Growns Leafy	3,621	1,770,975 kg	3,967	2,000,867 kg	4,056	2,099,350 kg
Tippy	2,244	1,380,968 kg	2,494	1,545,358 kg	2,591	1,662,437 kg
Premium/Flowery	535	141,849 kg	463	117,658 kg	504	130,592 kg
Off Grades	2,194	1,286,917 kg	2,144	1,283,225 kg	2,220	1,339,093 kg
Dust	656	694,126 kg	776	815,967 kg	571	612,786 kg
Grand Total	11,895	7,417,872 kg	12,439	7,883,124 kg	12,487	7,971,958 kg
Reprints	863	630,070 kg	664	466,620 kg	712	541,627 kg
Scheduled to Close (Ex) Dates		04.06.15		28.05.15		21.05.15
(Ms)		05.06.15		29.05.15		22.05.15

Scheduled Closing Dates

Auction No. 23 : $16^{th}/17^{th}$ June 2015

Ex Estate : 28.05.2015

Main Sale : 29.05.2015

Auction No. 24 : $23^{rd}/24^{th}$ June 2015

Ex Estate : 04.06.2015

Main Sale : 05.06.2015

Auction No. 25 : $29^{th}/30^{th}$ June 2015

Ex Estate : 11.06.2015

Main Sale : 12.06.2015

Auction No. 26 : $07^{th}/08^{th}$ July 2015

Ex Estate : 18.06.2015

Main Sale : 19.06.2015

(Source: John Keells Tea Brokers)

AGRIWATCH

Tea Weekly
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Kenya Tea Auction (Mombasa): Sale No: 23

AUCTION	KENYA 2014	KENYA 2015	TOTAL 2014	TOTAL 2015
21	$1.99	$3.14	$1.90	$2.87
22	$1.96	$3.07	$1.86	$2.86
23	$2.01	$3.23	$1.92	$2.95

QUOTATIONS	BROKENS	FANNINGS	
Best	423 – 496	519 - 545	
Good	408 – 447	527 - 544	
Good Medium	404 – 434	503 - 545	
Medium	360 – 397	442 - 516	
Lower Medium	205 – 397	198 - 384	
Plain	116 – 196	116 - 344	(SL RUPEES)

During the week good demand noticed for 8,350,540 kilos of tea on offer. Brighter DUST1s were higher USC4 to USC20, with mediums ranging between USC14 to USC18 lower and prices of lower mediums were USC10 to USC16 above last week's levels to lower. Prices of Brighter BP1's were firm to USC5 easier, prices of mediums were USC8 to USC46 higher and prices of lower mediums were USC10 lower. Other varieties like Brighter Pdusts, Lower Medium PF1's noticed mixed tone during the week.

In the secondary catalogues, BP's noticed steady tone and PF's noticed easy tone during the week. Well sorted clean colour Fannings noticed firm tone and Dusts noticed steady tone during the week. Other Fannings noticed firm tone and BMF's noticed weak tone. There was good buying interest from Pakistan packers, Afghanistan, Yemen, other Middle –Eastern countries, Bazaar and Egyptian packers. There was some demand from UK, Kazakhstan and other CIS countries. There was some buying support from Russia and Somalia.

(Source: Africa Tea Brokers)

Indonesia Tea Auction (Jakarta): Sale No: 23

ORTHODOX	OFFERED		SOLD		%
PTPN ESTATE	7.400	389.540 Kg	6.240	325.780 Kg	83.83
PRIVATE ESTATE	---	--- Kg	---	--- Kg	---,--
TOTAL	7.400	389.540 Kg	6.240	325.780 Kg	83.83

C.T.C	OFFERED		SOLD		%
PTPN ESTATE	2.220	125.120 Kg	1.880	104.860 Kg	83.81
PRIVATE ESTATE	---	---- Kg	---	--- Kg	--,--
TOTAL	2.220	125.120 Kg	1.880	104.860 Kg	83.81
GRAND TOTAL	9.620	514.660 Kg	8.120	430.640 Kg	83.67

(Prices in US cents/kg)

Orthodox First Grades						
BOP.I	BOP	BOPF	PF	DUST	BT	BP
160-211	127-182	125-184	127-212	118-190	116-135	246

Orthodox Secondary Grades				
PF.II	DUST.II	BT.II	BP.II	DUST.III
112-193	110-165	114-123	163-292	110-116

CTC First and Secondary Grades						
BP.1	PF.1	PD	D.1	FANN	D.2	D.3
140-173	174-212	155-216	156-220	130-191	136-180	---

Market offerings increased to 9,620 paper sacks from 8,380 paper sacks. There was good demand in the market. Average price declined to USDcts 150.63 instead of USDcts 142.48 during last week’s auction. Average price of Orthodox variety increased to USDcts 145.62 and average price of CTC increased to USDcts 165.72. Secondary variety and Fannings noticed easy tone. Quantity sold declined to 83.67% during the period compared to 80.21% during last auction.

OFFERING FOR THE NEXT AUCTION

PRODUCER	Orthodox		C.T.C	
	17/06/15	24/06/15	17/06/15	24/06/15
PTPN. IV	980 S	1.600 S	-	-
PTPN. VI	280 S	360 S	540 S	1.000 S
PTPN. VII	820 S	1.260 S	240 S	180 S
PTPN. VIII	4.840 S	4.600 S	1.040 S	640 S
PTPN. IX	280 S	260 S	-	-
PTPN. XII	- S	- S	480 S	560 S
Total Estate	7.200 S	8.080 S	2.300 S	2.380 S
Pagilaran	- S	- S	- S	- S
Total Private	- S	- S	- S	- S
Grand Total	7.200 S	8.080 S	2.300 S	2.380 S

(Source: TEH)

Bangladesh Tea Auction (Chittagong): Sale No: 06

(In Taka/kg)

BROKENS	QUOTATIONS	FANNINGS	QUOTATIONS
Large/Bold	203-205	Best	205-209
Medium	204-209	Good	201-204
Small	203-208	Medium	197-200
Plain	175-180	Plain	180-190

Tea prices at Bangladesh tea auction declined during the week amid highest volume of the season on offer. The average price of tea during this week's auction was around USD 2.60/kg. Around 1.27 million kgs of tea was offered for sale and nearly 6 percent remained unsold.

There was good demand from blenders and some demand from loose tea buyers. 18,506 packages and 230 packages of CTC Leaf of old season noticed good demand. 4,356 packages and 9 packages of old season on offer of CTC Dust noticed fair buying interest. In CTC Dust, good liquoring varieties noticed easy tone and medium levels noticed steady tone. Good liquoring Broken varieties noticed demand at lower prices. Good liquoring varieties in fannings noticed weak tone during the week. Good liquoring Dusts noticed easy tone during the week.

(Source: National Brokers Limited)

WORLD CROP STATISTICS IN (Mn/kgs)

Country	MONTH	2015	2014	CUMULATIVE	2015	2014	CUMULATIVE + INC./-DEC.
Sri Lanka	Apr.	31.77	29.52	Up to Apr.	111.06	103.39	+ 7.67
North India	Mar.	27.11 (E)	36.13	Up to Mar.	33.25 (E) 47.38 (E)	42.88	- 9.63
South India	Mar.	16.58 (E)	17.52	Up to Mar.	81.62	48.55	- 1.17
Kenya	Mar.	15.69	33.34	Up to Mar.	0.53	112.08	- 30.46
Bangladesh	Mar.	0.36	0.56	Up to Mar.	24.8	0.84	- 0.31
Malawi	Apr.	6.4	6.4	Up to Apr.		28.2	- 3.4

(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 more in the coming months following good rains in the tea growing regions in the months of April and May.

Currency	13-06-2015	06-06-2015
USD	64.09	64.11
Srilankan Rupee	0.4785	0.4792
Indonesian Rupiah	0.0048	0.0048
Kenyan Shilling	0.6592	0.6619
Bangladeshi Taka	0.8248	0.8241

Overall Outlook and Recommendation:

In the domestic market, prices noticed firm tone except slight weakness in Siliguri and Coimbatore tea auction centers. Quantity offered on sale increased during the week compared to previous week. Good demand from exporters and loose tea buyers supported the market. Good quality second flush of tea is coming in the market. Rain during the last few days in the tea growing regions is likely to support the crop. Prices are likely to notice range –bound to firm tone in the coming days.

In the global market, prices noticed firm tone except Bangladesh tea auction centre. Quantity offered on sale increased during the week compared to previous week. Weather in the tea growing regions is supportive for crop development. Higher arrivals are expected in Srilanka and it is likely to be lower in Indonesia in the coming week. Prices are likely to notice firm tone in the near –term.