

### News Highlights.

- After the recent strike in South India, wages of tea growers were increased by around 30%. As such planters in South India are likely to move towards mechanization in the coming days to keep their operation cost under control. Labour wages on an average, account for over half the production costs of plantation commodities like tea and coffee according to planters. The idea is in a very nascent stage and both the Government and the industry needs to work together to put this in place.
- An International Fact Finding Mission is visiting tea plantations in Assam and West Bengal from November 27 to December 4, 2015. The purpose of the mission which comprises of 18 members from 9 countries is to understand the status of the human right to food and nutrition and related rights of tea plantation workers and to hold the Central and State governments accountable to their national and international human rights obligation.
- Tea garden workers observed a 24-hour-long strike in Siliguri, North Bengal, recently. Workers from over 300 tea gardens located in the Terai and Doars region of Jalpaiguri and Darjeeling districts took part in the strike.
- Following the Go ahead of Uttarakhand urban development department's go ahead for the acquisition of almost 2000-acre British era tea gardens in Dehradun, history buffs and residents fear the move will destroy the place's nostalgic charm. Developed in the early 1830s, tea gardens around the valley, once known for its unique aroma, taste and flavour, are already struggling in the absence of modern machinery, manpower and adequate infrastructure.
- The delay in the onset of winter season in North India has affected tea demand. Sales of tea, the most consumed beverage in India during winter season has declined by around 10 per cent as the chill is not there according to consumers. Following the delay, producers are facing the problems of delay in payments being made and piling up of stocks by the end of the season. Demand is expected to pick up this month as it will be cold in North India.
- According to Jeff Koehler, an author based in Spain, climate change is affecting Darjeeling tea. Apart from climate change there are issues like struggle for the independent statehood of the Gorkha community and labour problems also affecting the sector. The first flush begins with drought. The rains are same all year around but they are coming for shorter periods of time and are stronger. There are crazy hailstorms and this year, landslides particularly wreaked havoc according to Koehler.
- According to the State-run Tea Board, Sri Lanka's output of tea declined by 5.17 per cent amid rains in the growing regions and lower prices. In the first ten months of 2015 till October, production declined by 1.36 per cent. In 2015, total production is estimated to increase slightly to 340 million kgs., compared to 338 million kgs, in 2014.
- Kenya is listed among the top 20 countries most affected by climate change and studies show that tea growing areas in Kenya are set to lose around 40% of the land suitable for tea planting due to climate change.

**Domestic Trade Scenario:**

**Indian Tea Auctions**

**Kolkata Tea Auction: Sale No: 48 (Price in Rs./kg)**

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	154.06	34,75,000	26,77,000
ORTHODOX	209.91	5,96,000	5,56,000
DARJEELING	-	-	-
DUST	156.81	14,40,000	12,25,000

**(Source: Parcon)**

Prices noticed weak tone during the week except Orthodox variety. Quantity offered on sale declined during the week compared to previous week. Good/Best Assams noticed mixed tone following quality. Medium Assams and Dooars maintained steady tone. Export enquiry was noticed for Bolder Broken and Fannings. There was fair demand from the local and internal buyers. Buying interest from Hindustan Unilever Limited and Tata Global lent support to the market. In the Orthodox variety, Whole Leaf noticed steady tone and Medium sorts and Fannings noticed steady to firm tone. There was export demand from Middle –East and CIS countries. Prices are likely to notice range –bound to firm tone in the coming week.

**Guwahati Tea Auction: Sale No: 47 (Price in Rs./kg)**

Guwahati	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC	142.02	43,64,000	35,46,000
Dust	152.80	16,47,000	14,18,000

**(Source: Associated Brokers)**

Prices noticed firm tone during the week. Quantity offered on sale increased during the week compared to previous week. The medium and the plainer varieties noticed firm tone and others declined in line with quality. Good demand was noticed from upcountry buyers. There was not much export demand around current levels. Buying interest was noticed from Hindustan Unilever Limited. Prices are likely to notice steady to firm tone in the near –term.

**Siliguri Tea Auction: Sale No: 48 (Price in Rs./kg)**

Variety	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	120.93	4,94,000	4,09,000
CTC Leaf	126.04	39,04,000	30,51,000

**(Source: Associated Brokers)**

Prices noticed weak tone during the week. Quantity offered on sale declined during the week compared to previous week. Post Puja Flush noticed mixed tone in line with quality and the Common and the Plainer

varieties noticed steady tone. There was good demand from the upcountry buyers and not much demand from packers. Prices are likely to notice sideways movement in the near -term.

**Jalpaiguri Tea Auction: Sale No: 48 (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: 49 (Price in Rs./kg)**

Cochin	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	106.26	823995.00	723210.20
CTC Leaf	71.89	65748.00	53187.00
Orthodox Dust	83.36	8378.00	6886.00
Orthodox Leaf	133.82	167389.00	145027.00

**(Source: Paramount Marketing, Coimbatore)**

Prices noticed mixed tone during the week. Quantity offered on sale declined during the week compared to previous week. Plucking has been lower during the last few days. In the Leaf variety, CTC Leaf and Orthodox Leaf noticed good demand from the exporters. Prices are likely to notice firm tone in the coming days.

**Coimbatore Tea Auction: Sale No: 49 (Price in Rs./kg)**

Coimbatore	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	85.87	280235.00	238269.00
CTC Leaf	72.24	128044.00	114751.00
Orthodox Dust	64.87	9914.00	8250.00
Orthodox Leaf	84.42	10058.00	9497.00

**(Source: Paramount Marketing, Coimbatore)**

Prices noticed firm tone during the week except slight weakness in Orthodox Leaf variety. Quantity offered on sale declined during the week compared to previous week. Arrivals are lower amid rains in the growing regions during the last few days. Good demand from local buyers and blenders added to the positive tone of the market. Prices are likely to continue firm tone in the near –term.

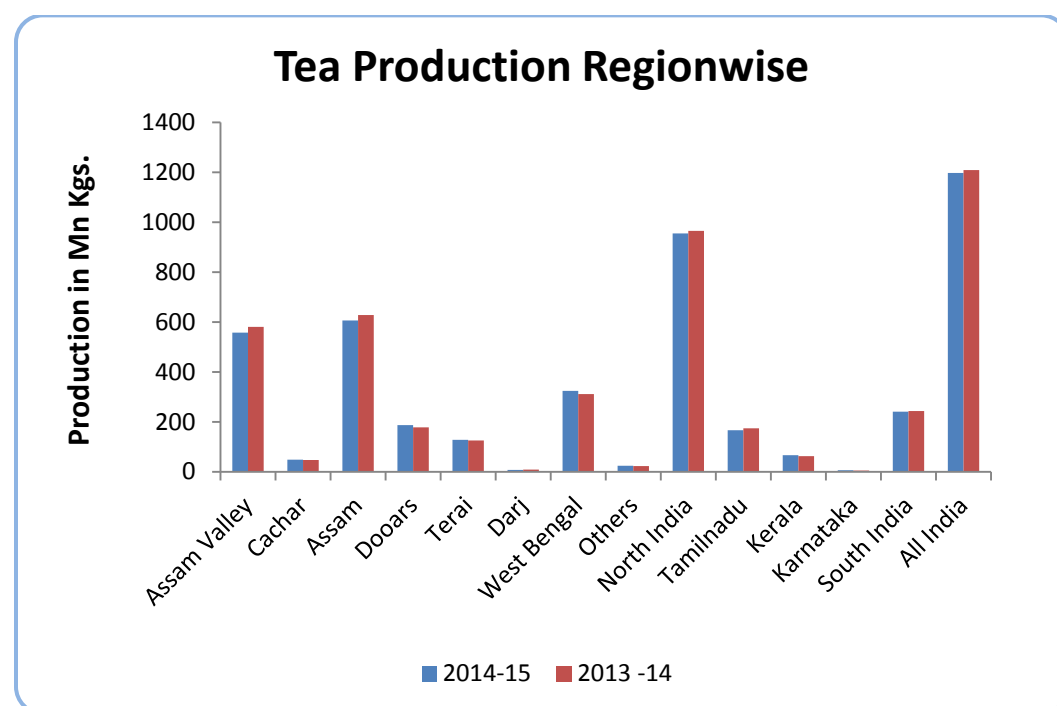
**Coonoor Tea Auction: Sale No: 49 (Price in Rs./kg)**

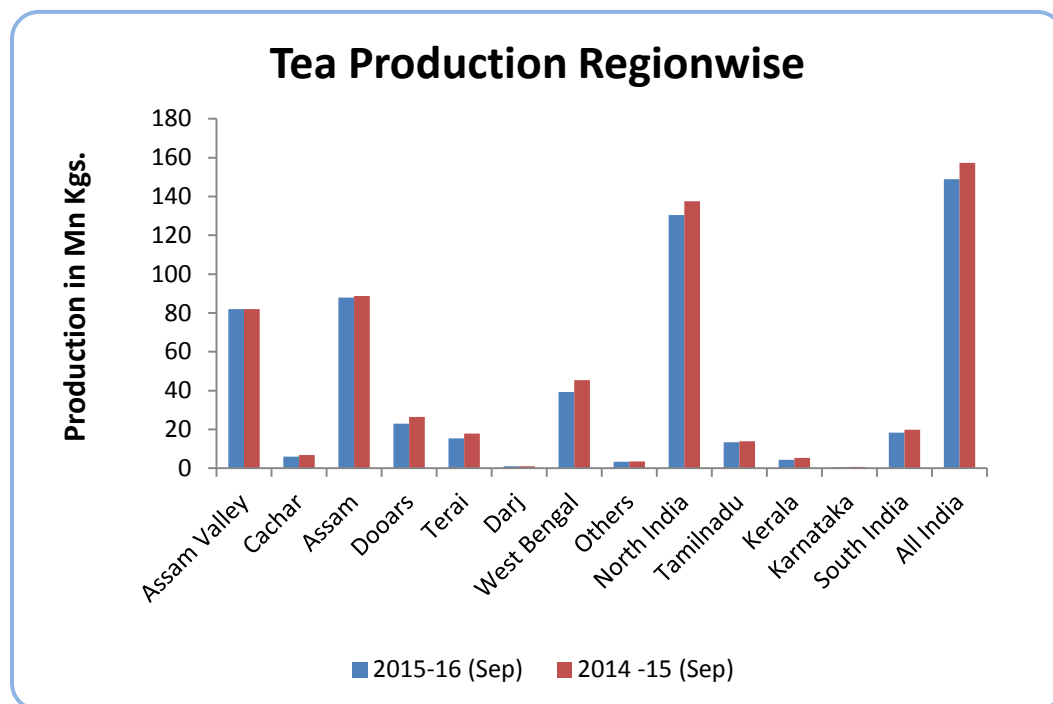
Coonoor	Avg. Price	Total Offerings (Kgs)	Total Sold (Kgs)
CTC Dust	85.60	346535.00	316879.00

CTC Leaf	74.76	744697.00	676818.00
Orthodox Dust	91.49	47048.00	37336.00
Orthodox Leaf	111.48	58345.50	54833.50

(Source: Paramount Marketing, Coimbatore)

Prices noticed mixed tone during the week. Quantity offered on sale declined during the week compared to previous week. Good demand from the exporters for Nilgiris Broken's supported prices. Buying interest was noticed from Kerala State Civil Supplies and Hindustan Unilever Limited. Prices are likely to notice range – bound to firm tone in the coming week.





(Source: Tea Board)

The above graph shows region wise production comparison, between 2015-16 (Sep) and 2014-15 (Sep). during the last two years and in the month of September in comparison with to previous year. In the year 2014 (Apr –Mar), production increased by 6.5% to 1208.78 million kgs mainly on account of increased in production in Assam. In the current year in the month of September, production of tea in India declined by 5.42% to 148.81 million kgs. in comparison to the same corresponding period last year following owing to lack of suitable temperature and rainfall mainly in north India.

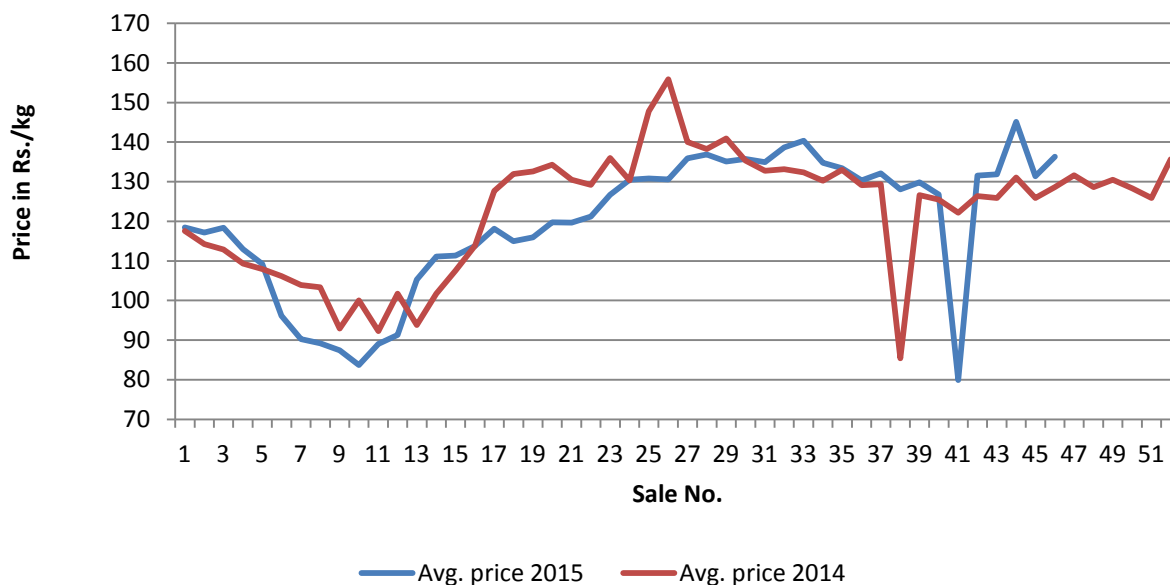
#### REGIONWISE QUARTERLY EXPORTS:

(Qty In M.Kgs, Value in Rs. Crs, Unit Price in Rs./kg)

	North India			South India			All India		
	Qty	Value	Unit Price	Qty	Value	Unit Price	Qty	Value	Unit Price
Jan-Sep 2015 (P)	81.04	1906.33	235.23	68.76	907.39	131.96	149.80	2813.72	187.83
Jan-Sep 2014	81.68	2044.99	238.68	66.86	917.83	137.28	152.54	2962.82	194.23
Inc/Dec in %	-5.42	-6.78	-1.44	2.84	-1.14	-3.87	-1.80	-5.03	-3.30
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

### Salewise Price of All Tea at All India



The above graph shows the All India price comparison of All Teas at All India in 2014 and 2015. Currently the average prices of all tea are higher compared to previous year amid lower arrivals in the domestic market. Prices have increased during the week compared to previous week amid demand for quality leaf.

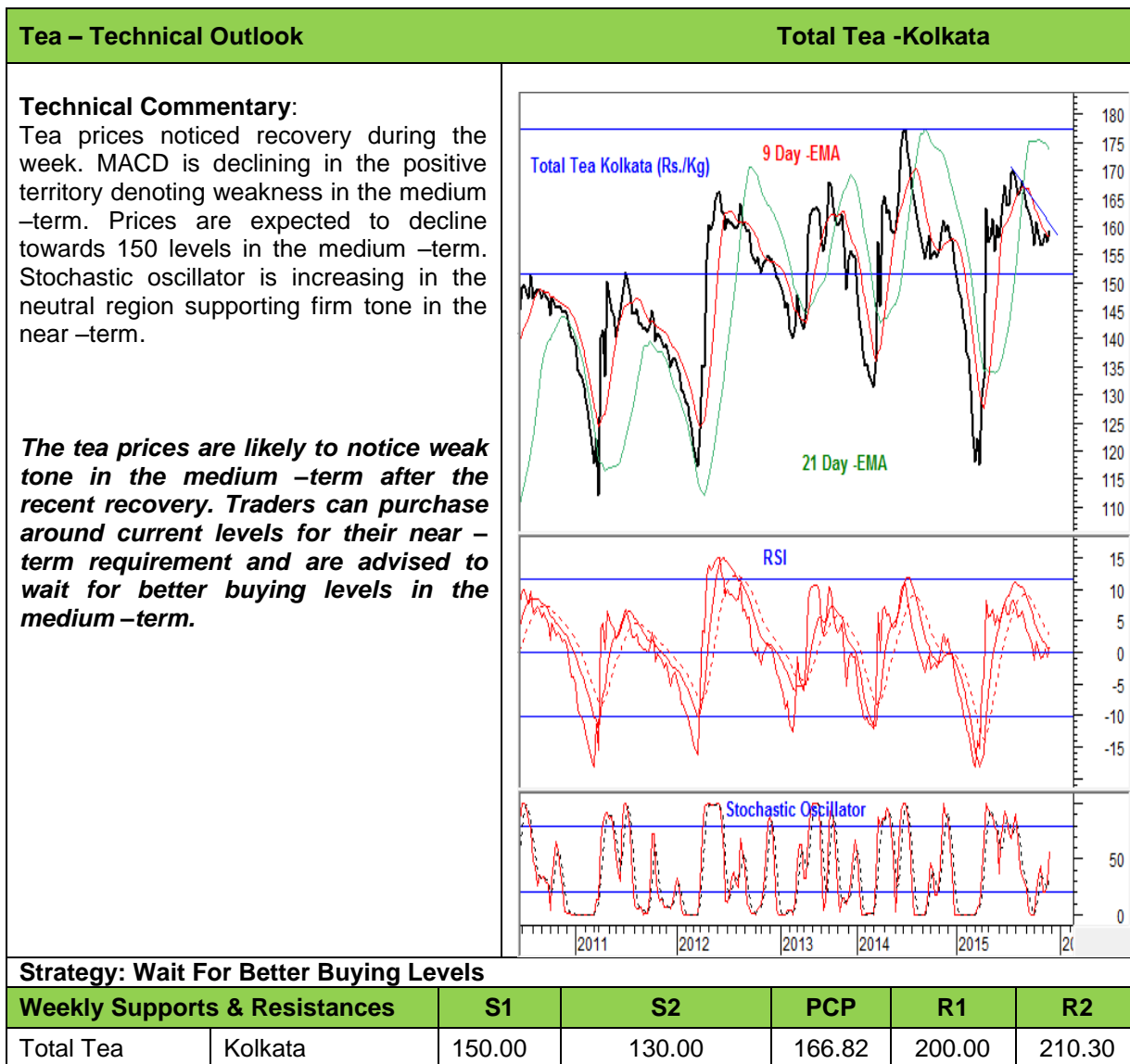
**Weekly Average Prices at Indian Auction Centers for week ending 2015-11-28**

Variety	Kolkata	Guwahati	Siliguri	Jalpaiguri	Cochin	Coonoor	Coimbatore	Tea Serve
CTC All Dust	157.92(164.65)	144.96(135.22)	132.18(122.26)	NS(NS)	105.30(90.26)	75.52(62.33)	80.56(73.40)	64.30(49.15)
Total Tea	166.82(167.24)	145.11(135.17)	132.18(122.26)	NS(NS)	108.56(93.29)	77.30(63.33)	80.70(73.44)	64.66(49.15)

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

Variety	North India	South India	All India
CTC All Dust	144.71 (140.75)	84.75 (72.99)	133.02 (126.93)
Total Tea	148.42 (142.64)	87.43 (74.98)	136.33 (128.64)

(Source: Tea Board)



**International Trade Scenario:**

**Srilanka Tea Auction (Colombo): Sale No: 47 (Price in Srilankan Rs./kg)**

	<b>BOP</b>	<b>BOPF</b>
<b>Good Westerns</b>	440 - 510	470 - 530
<b>Average Westerns</b>	410 - 430	440 - 460
<b>Plainer Westerns</b>	360 - 400	400 - 430
<b>Western Mediums</b>	390 - 540	340 - 480
<b>Uva Teas</b>	340 - 510	300 - 490
<b>Nuwara Eliya Teas</b>	300 - 380	270 - 340
<b>Udapussellawa Teas</b>	330 - 430	360 - 470
<b>CTC (BP1 and PF1)</b>	280 - 415	310 - 490

In this week's auction, 5.32 million kgs of tea was offered for sale compared to 6.11 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 easy tone during the week. High Grown and Mid Grown CTC's noticed mixed tone following quality and Low Grown CTC's noticed firm tone during the week. There was less 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 steady to firm tone during the week. The below best and plainer variety noticed firm tone during the week. There was demand from Russia, Iran and Middle –Eastern countries.

**DETAILS OF TEAS AWAITING SALE**

AUCTION NO.	49		48		47	
Dates	15 <sup>th</sup> /16 <sup>th</sup> December 2015		08 <sup>th</sup> /09 <sup>th</sup> December 2015		01 <sup>st</sup> /02 <sup>nd</sup> December 2015	
	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs	No. of Lots	No. of Kgs
Ex Estate	961	1,135,831 kg	806	946,030 kg	720	834,048 kg
Main Sale Total	9,878	5,231,300 kg	9,723	5,057,610 kg	8,703	4,487,522 kg
High & Medium	1,114	582,789 kg	1,017	511,165 kg	822	419,135 kg
Low Grown Leafy	3,725	1,744,956 kg	3,707	1,717,018 kg	3,369	1,537,012 kg
	2,006	1,149,194 kg	1,985	1,137,174 kg	1,749	973,085 kg
Tippy						
Premium/Flowery	581	130,314 kg	569	127,774 kg	463	94,901 kg
Off Grades	1,870	1,029,993 kg	1,908	1,032,420 kg	1,796	976,379 kg
Dust	582	594,054 kg	537	532,059 kg	504	487,010 kg
Grand Total	10,839	6,367,131 kg	10,529	6,003,640 kg	9,423	5,321,570 kg
Reprints	462	261,511 kg	599	381,260 kg	466	307,124 kg
Scheduled to Close (Ex)		26.11.15		19.11.15		12.11.15
Dates (Ms)		27.11.15		20.11.15		13.11.15

**Scheduled Closing Dates**

Auction No. 48 : 08<sup>th</sup> / 09<sup>th</sup> December 2015

Ex Estate : 19.11.2015

Main Sale : 20.11.2015

Auction No. 49 : 15<sup>th</sup> / 16<sup>th</sup> December 2015

Ex Estate : 26.11.2015

Main Sale : 27.11.2015

Auction No. 50 : 21<sup>st</sup> / 22<sup>nd</sup> December 2015

Ex Estate : 03.12.2015

Main Sale : 04.12.2015

Auction No. 01 : 05<sup>th</sup> / 06<sup>th</sup> January 2016

Ex Estate : 10.12.2015

Main Sale : 11.12.2015

(Source: John Keells Tea Brokers)

**Kenya Tea Auction (Mombasa): Sale No: 48**

**AUCTION AVERAGE PRICE**

AUCTION	KENYA	KENYA	TOTAL	TOTAL
	2014	2015	2014	2015
46	\$2.03	\$3.10	\$1.91	\$2.92
47	\$2.03	\$3.07	\$1.91	\$2.88
48	\$2.01	\$3.05	\$1.89	\$2.84

QUOTATIONS	BROKENS	FANNINGS
Best	459 - 622	488 - 556
Good	445 - 484	495 - 510
Good Medium	442 - 487	486 - 512
Medium	387 - 457	394 - 479
Lower Medium	205 - 383	253 - 380
Plain	183 - 281	150 - 338 ( SL RUPEES)

During the week good demand was noticed for 9,688,808 kilos of tea on offer. Brighter DUST1s were firm to USC10 lower, with mediums were firm to USC12 easier and Lower Mediums were firm up to USC22. Prices of Brighter BP1's were firm to USC16 lower. Other varieties like Brighter Pdusts, Lower Medium PF1's noticed mixed tone during the week.

In the secondary catalogues, BP's noticed weak tone and PF's noticed firm tone during the week. Well sorted clean coloury Fannings noticed easy tone and Dusts noticed firm tone during the week. Other Fannings and BMF's noticed positive tone. There was good demand from Egyptian packers, Yemen, other Middle –Eastern countries, Bazaar and Russia. Buying interest was noticed U.K., Sudan, Afghanistan and Kazakhstan. There was less demand from other CIS countries and Pakistan packers. Demand remained subdued from Iran. Somalia was active around lower levels of the market.

(Source: Africa Tea Brokers)

**Indonesia Tea Auction (Jakarta): Sale No: 48**

ORTHODOX	OFFERED		SOLD		%
PTPN ESTATE	4.480	236.420 Kg	4.280	225.500 Kg	95.38
PRIVATE ESTATE	---	--- Kg	---	--- Kg	---,--
<b>TOTAL</b>	<b>4.480</b>	<b>236.420 Kg</b>	<b>4.280</b>	<b>225.500 Kg</b>	<b>95.38</b>

C.T.C	OFFERED		SOLD		%
PTPN ESTATE	900	51.580 Kg	860	49.500 Kg	95.97
PRIVATE ESTATE	---	--- Kg	---	--- Kg	---,--
<b>TOTAL</b>	<b>900</b>	<b>51.580 Kg</b>	<b>860</b>	<b>49.500Kg</b>	<b>95.97</b>

<b>GRAND TOTAL</b>	<b>5.380</b>	<b>288.000 Kg</b>	<b>5.140</b>	<b>275.000 Kg</b>	<b>95.49</b>
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(Prices in US cents/kg)

Orthodox First Grades						
BOP.I	BOP	BOPF	PF	DUST	BT	BP
196-200	179-195	169-220	168-212	167-185	147-156	327-345

Orthodox Secondary Grades				
PF.II	DUST.II	BT.II	BP.II	DUST.III
158-193	165-178	146-155	-	144-148

CTC First and Secondary Grades						
BP.1	PF.1	PD	D.1	FANN	D.2	D.3
165-180	172-236	173-239	185	155-173	172-178	---

Market offerings increased to 5,380 paper sacks from 4,640 paper sacks. There was good demand in the market. Average price declined to USDcts 176.54 instead of USDcts 177.82 during last week's auction. Average price of Orthodox variety increased to USDcts 175.95 and average price of CTC declined to USDcts 178.78. Secondary variety and Fannings noticed mixed tone. Quantity sold declined to 95.49% during the period compared to 96.55% during last auction.

**OFFERING FOR THE NEXT AUCTION**

PRODUCER	Orthodox		C.T.C	
	9/12/15	16/12/15	9/12/15	16/12/15
PTPN. IV	2.920 S	2.560 S	-	-
PTPN. VI	300 S	320 S	460 S	460 S
PTPN. VII	400 S	440 S	100 S	80 S
PTPN. VIII	1.520 S	2.080 S	160 S	200 S
PTPN. IX	220 S	- S	-	-
PTPN. XII	- S	- S	180 S	340 S
Total Estate	5.360 S	5.400 S	900 S	1.080 S
Pagilaran	- S	- S	- S	- S
Total Private	- S	- S	- S	- S
Grand Total	5.360 S	5.400 S	900 S	1.080 S

(Source: TEH)

**Bangladesh Tea Auction (Chittagong): Sale No: 29**

(In Taka/kg)

<b>BROKENS</b>	<b>QUOTATIONS</b>	<b>FANNINGS</b>	<b>QUOTATIONS</b>
Large/Bold	183-185	Best	194-196
Medium	185-190	Good	192-193
Small	189-194	Medium	186-189
Plain	160-175	Plain	160-175

Tea prices at Bangladesh tea auction noticed firm tone during the week amid good demand during winter season. Larger volumes were on offer during the week. The average price of tea during this week's auction was around USD 2.44/kg. Around 2.05 million kgs of tea was offered for sale and nearly 14 percent remained unsold.

There was good demand from blenders for bright liquoring varieties and fair demand from loose tea buyers. 31,923 packages and 65 packages of Old season CTC Leaf noticed good demand. 5,372 and 70 packages of Old season of CTC Dust noticed good buying interest. In CTC Dust, good liquoring varieties noticed mixed tone and medium levels noticed firm tone. Good liquoring Broken varieties noticed positive tone. Good liquoring varieties in fannings noticed firm tone during the week. Good liquoring Dusts noticed easy tone during the week.

(Source: National Brokers Limited)

**WORLD CROP STATISTICS IN (Mn/kgs)**

<u>Country</u>	<u>MONTH</u>	<u>2015</u>	<u>2014</u>	<u>CUMULATIVE</u>	<u>2015</u>	<u>2014</u>	<u>CUMULATIVE</u> <u>+ INC./-DEC.</u>
Sri Lanka	October	26.73	28.19	Up to October	279.89	283.74	- 3.85
North India	September	130.47(E)	137.54	Up to September	677.10 (E)	696.03	- 18.93
South India	September	18.34(E)	19.79	Up to September	177.63 (E)	178.92	- 1.29
Kenya	September	36.48	33.32	Up to September	271.10	316.05	- 44.95
Bangladesh	September	10.04	8.76	Up to September	44.28	43.09	+ 1.19
Malawi	September	1.3	2.7	Up to September	33.9	40.7	- 6.8

(Source: John Keells Tea Brokers)

In the current year, global output of tea is likely to decline following output reduction in output in Kenya. Global tea production till date has declined dropped to 566.55 million kg compared to 586.63 million kgs during the previous year. Output has declined dropped following production decline in production in Kenya, the largest producer of black tea in the world. It's production ha declined to 271.10 million kg till September 2015 compared to 316.10 million kg during the previous year. Production has also declined in other African countries like Malawi and Uganda. In Sri Lanka, production of tea has declined by 3.85 million kgs. to 279.89 million kgs. in October 2015 compared to same period in 2014. In North India, production has declined by nearly 2.8% and in South India, production has declined by 0.79% respectively till September 2015. Plucking has been lower in North India amid lack of favourable weather in the growing regions.

<b>Currency</b>	<b>04-12-2015</b>	<b>27-11-2015</b>
<b>USD</b>	66.74	66.73
<b>Srilankan Rupee</b>	0.4830	0.4661
<b>Indonesian Rupiah</b>	0.0049	0.0048
<b>Kenyan Shilling</b>	0.6532	0.6541
<b>Bangladeshi Taka</b>	0.8454	0.8548

### 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. In North India, generally the arrivals start declining Post Puja. The Post Puja Flush variety declined in line with quality. In South India, arrivals are lower following rains in the growing regions. Good export demand from Middle –East, Iran and Russia lent some support to the market. Prices are likely to notice range –bound to firm tone in the coming week.

In the global market, prices noticed mixed tone. Quantity offered on sale increased during the week compared to previous week. Demand usually picks up during the winter season and is likely to support prices in the coming days. Rains in parts of Java and South India have affected plucking. It was mostly conducive in the other tea growing regions. The future offering of tea is likely to increase at Sri Lankan auction and decline at Indonesian auction. Prices are likely to notice range –bound to firm tone in the near –term.

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