

Bulk buying by Kerala, TN govts keep tea prices on boil at Kochi sale

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These two government entities along with AVT have consumed 70% of the 9.67 lakh kg offered CTC dust tea prices continued to surge at the Kochi auctions for the second consecutive week. The average price realisation increased by ₹13 per kg to ₹157.

The strong procurement made by government agencies such as Supplyco and Incoserve reportedly for distributing tea in the free food kits in Kerala and Tamil Nadu is stated to be the reason for the hike in prices. These two government entities as well as AVT have consumed 70 per cent of the offered quantity of 9,67,585 kg in the trading session.

However, sources close to the tea fraternity have raised concerns over the bulk purchase of tea by government agencies as it would hit the local traders.

Auctioneers Forbes, Ewart & Figgis said the market for high-priced teas was dearer by ₹5-10 a kg and sometimes more. Medium and plainer teas were higher by ₹15-20 and occasionally more. Kerala Loose Tea Traders and upcountry buyers were selective and operated hand to mouth.

Orthodox dust market was firm to dearer and the offered quantity was 18,080 kg. A small quantity was absorbed by exporters and upcountry buyers.

However, selected varieties in leaf showed some improvement especially for select best Nilgri whole leaf and broken in orthodox category with prices remaining steady to firm. The quantity offered was 2,45,645 kg and there was a ₹3 increase in average price realisation at ₹153 compared to Rs149 in the previous week. Exporters to CIS and West Asia lent fair support.

CTC leaf market was lower especially for high-priced broken, while medium and plainer was firm. The quantity offered was 73,218 kg and export demand was subdued, covering nominal quantities.

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