

Tea prices drop at Kochi auctions as TN Coop Incoserve cuts purchase

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Recent involvement of government agencies in bulk procurement is a cause for concern. Subdued demand from Tamil Nadu government cooperative Incoserve and its purchase of limited quantity affected tea prices at the Kochi auctions this week. There was a ₹14/kg drop in average price realisation.

Trade sources have also voiced their concern over the recent involvement of government agencies in the bulk procurement of tea, thereby pushing up the prices, forcing local traders to operate hand-to-mouth in view of a muted demand for tea in the market. When the agencies are including tea in the food kits supplied to the people through PDS, the emerging situation has started affecting the brew sales in the local market. Moreover, the improved crop situation in plantations also had an impact on prices, the sources added.

The auctioneers Forbes, Ewart & Figgis said that CTC dust market was lower by ₹5 to ₹10 in sale 21 and the prices declined with longer margins of ₹10 to ₹15. The quantity offered was 11,36,904 kg and 72 per cent was sold. Blenders including AVT and Kerala State Civil Supplies Corporation operated with lower limits and there was a subdued demand from loose tea traders and upcountry buyers.

Orthodox dust market was lower by ₹10 and witnessed a lot of withdrawals. The quantity offered was 15,254 kg and exporters absorbed a small quantity offered.

Leaf sale was also down. But, the market for Nilgiri whole leaf and broken in orthodox grades remained steady to firm and sometimes dearer. The quantity offered was 2,64,578 kg with exporters to CIS countries and West Asian extending fair support. The average price realization was down at ₹150 compared to ₹153 in the previous week.

In CTC leaf, the market for broken and Fannings was lower by ₹5 to ₹7, with major packateers lending fair support. Some export enquiry was noticed at the bottom of the market.

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