

Tea output decreases in Assam and West Bengal in first five months of 2021: Industry

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In the first three months of the calendar year, India exported 45.86 million kg of tea at an average price of Rs 253.62 per kg.

Dry weather and spread of coronavirus infection among tea estate workers brought down Assam and West Bengal's tea output in the first five months of 2021 by 60-70 million kg compared with the corresponding stretch in 2019, industry executives said.

Prices of teas at the auctions have already increased by 5-10% in the last one month and these products will be available to consumers by the end of July when they may have to pay more for the cuppa.

In 2020, the nationwide lockdown had impacted tea production, pulling it down by 140 million kg from the level in 2019, a normal tea production year.

The executives cited earlier said that with rains having reached Assam and West Bengal in the first week of June, the production of second flush teas is expected to be better than the first flush.

"We have lost crop in April and May due to a dry spell. May crop has been down by 25% compared with 2019," Azam Monem, director, McLeod Russel India Ltd., told ET. "We are not taking 2020 crop figures as there was a lockdown in April, which had impacted production in May and for the whole year."

This year, although the tea industry did not face any lockdowns, production was disrupted due to the dry spell and the spread of Covid-19 among tea workers in Assam. This has resulted in prices of teas moving higher at the auctions. Prices of teas have gone up to Rs 250-260 per kg now.

"Quality teas are fetching higher prices. These teas will be available in the shelf space by the end of July for the retail consumers," said Monem.

However, what is worrying the industry is the increase in wages of tea garden workers in West Bengal and Assam. In West Bengal, it has gone up to Rs 202 from Rs 176, while in Assam, the government has announced an interim wage hike from Rs 167 to Rs 205 with effect from February 23.

"Prices of tea should remain firm this year as our cost of production has gone up. Last year, tea prices remained strong in the months of June, July and August. That trend should continue this year too," said a senior tea industry executive.

On the export front, there have been good enquiries from the UK, Germany and the US for Indian teas. In the first three months of the calendar year, India exported 45.86 million kg of tea at an average price of

Rs 253.62 per kg. Though exports are down by 13.22% compared with the same period of 2020, which is largely due to non-availability of teas, prices of tea in the export market are higher by 18% this year.

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