

Adverse weather conditions hit tea output in N. India during March-May

Economy Agri Business | Shobha Roy | Updated on June 17, 2021

The first and second flush crop put together is likely to be lower by around 75 mkg during this period. The tea industry in North India, which includes the gardens of Assam and West Bengal, is likely to have lost nearly 75 million kg (mkg) of the crop during March, April and May this year due to unfavourable weather conditions.

This corresponds to the entire first flush and a significant part of the premium second flush season, which typically accounts for nearly 21 per cent of the total North India production and nearly 18 per cent of the country's overall tea production in a year.

The country's total production in 2019-20 was close to 1,360.81 mkg, of which North India's share stood at around 85 per cent.

As per estimates the first and second flush crop put together is likely to be lower by around 75 mkg during March-May 2021 as compared to 242.29 mkg during same period in 2019.

Tea production was impacted in 2020 as the plucking activities had come to a standstill on the back of Covid-19 induced lockdown. Production was lower by nearly 45 per cent at 132.3 mkg in March-May 2020.

Heavy rains

According to Vivek Goenka, Chairman, Indian Tea Association (ITA), drought-like conditions persisted in major tea growing regions of Assam right up to May and thereafter there was heavy rainfall since the beginning of June. This impacted production both in terms of quantity as well as quality.

"We usually have little rains during March and April, medium rains in May-June followed by heavy rains. But may be because of this climate change we had drought-like conditions right up to May and then there has been very heavy rains. So production up to May has been impacted. Now it is difficult to predict the crop size and quality of produce moving forward," Goenka told BusinessLine.

The industry is also believed to have lost some crop in the first 15 days of June, though it is difficult to estimate the quantum of crop loss, he said.

According to Bijoy Gopal Chakraborty, President, Confederation of Indian Small Tea Growers Association (CISTA), there has been several pest attacks due to the unfavourable climatic conditions. This has also affected production mostly in majority of the tea growing regions in West Bengal.

"We have had very high level of infestations due to red spider attack and looper caterpillar due to these climatic changes. The first and second flush crop for small tea growers in North Bengal is down by 25 per cent this year," he said.

Prices firm up

The drop in production and the low amount of carryover stock due to lower crop last year is likely to keep prices firm, industry insiders said.

The average auction prices of CTC leaf and dust in North India in the month of April was up by nearly 33 per cent at ₹207.54 a kg, as compared to ₹156.12 a kg in April 2019. The prices were down by nearly eight per cent as compared to ₹224.78 a kg in 2020. However, since there was a huge crop deficit in 2019 so it would be fair to compare the prices with 2019 rather than that with 2020.

The average auction prices were up by nearly 50 per cent in end of May 2021 at ₹216.31 a kg, as against ₹144.07 a kg same period last year and by nearly 48 per cent in the second week of June 2021 at ₹226.18 a kg (₹153.08 a kg).

Published on June 17, 2021