

Tea auction earnings rose over 125% till May

P S SUNDAR | Updated on June 18, 2021

Every kg fetched over ₹38 more than last year

The less interruption in the conduct of the auctions of Coonoor Tea Trade Association so far this calendar has helped the earnings to rise by a whopping 125.28 per cent in the first five months over the same period of 2020.

Till May this year, only one auction was cancelled while another one was rescheduled but last year, several auctions were cancelled due to the lockdown resulting in substantially low overall earnings despite some improvement in price.

Compared to that, the earnings in the current calendar till May rose significantly because as much as 92 lakh kg more tea was sold with the average price rising by ₹38.76 a kg than in the same months of 2020, reveals our analysis of the Market Reports.

Till May, a volume of 2.58 crore kg was sold against 1.66 crore kg during Jan-May 2020 when many auctions were cancelled.

The demand so far this year was significantly high on both domestic and export fronts due to an overall belief that tea helps build immunity in the context of the Covid-19 pandemic.

Besides, the supply from North India was low because of winter closure of plantations, sudden floods in some plantation pockets and the drought-like weather hitting harvest volume in many regions.

Collectively, upcountry buyers purchased more tea from Coonoor auctions and exporters also gave selective support.

This demand pushed up the average price to ₹124.98 a kg from ₹86.22 in Jan-May 2020.

With more teas bought at higher price, the overall earnings in the five months rose to ₹322.45 crore from ₹143.13 crore in Jan-May 2020.

This marked a massive increase of ₹179.32 crore or as much as 125.28 per cent in the five months over the same period of 2020.

Published on June 18, 2021

<https://www.thehindubusinessline.com/economy/agri-business/tea-auction-earnings-rose-over-125-till-may/article34852872.ece>