

Tea prices show signs of stabilisation

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Tea prices are stabilising during the last two auction sessions and there are signs of demand picking up, said M. Balaji, Executive Director of Tea Board of India, south zonal office.

The average tea price realised was ₹85 to ₹90 a kg at the auctions and these prices were better than the prices realised in 2019. Last year, the demand was good, both in international and domestic markets and hence the prices were higher, he said.

Ramesh Bhojarajan, former president of the Nilgiris Bought Leaf Tea Manufacturers' Association, said that in May tea was sold at the auctions at ₹ 110 to ₹ 120 a kg. The prices for lower grade tea had fallen to ₹ 80 to ₹ 85 a kg now. In June first week, the prices dropped by ₹ 10 to ₹ 15 a kg. The drop was not so high now.

Last year, supply from north India was low and south Indian tea had good demand. The prices went up to ₹ 170 a kg or more for tea in May last year. This year, the supply was good from north India and in the international market also. And, the demand for tea had not picked up in the domestic market as it did last year.

However, in the recent days, there were signs of stabilisation of prices and movement had picked up for exports and domestic market at the current prices, he said. The Tea Board should take up promotional activities to increase consumption in the domestic market, Mr. Ramesh said.

Mr. Balaji said several factors were impacting prices this year. Almost 50 % of south Indian tea went for exports every year. This year, international demand was down for the last three months for many reasons and hence, supply to the domestic market had increased. "Despite the factors that are impacting prices, there is no cause for alarm. But, we should watch the market and prices for some more days," he said.

Founder president of Nilgiris Nelikolu Micro and Small Tea Growers and Farmers Development Society Hubbathalai N. Sivan said the factories usually paid more than the minimum price. "The growers, especially the small growers, have been asking for ₹ 30 a kg of green leaves," he said.

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