

All-India auction tea prices rose 43% in 2020-21

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Consuming tea to strengthen immunity helped price rise

The prices of teas in the Indian auctions rose by an impressive 43.09 per cent in the fiscal 2020-21 over the previous fiscal, reveals our analysis of the latest data available with the Tea Board of India.

The all-India auction prices rose to ₹196.97 a kg from ₹137.65 in 2019-20. This meant that every kg, on an average, fetched as much as ₹59.32 or 43.09 per cent more than in the previous year.

The increase was more significant in the North Indian auctions. Here, the average prices rose to ₹216.36 a kg from ₹148.55 in 2019-20, marking a gain of as much as ₹67.81 a kg or 45.65 per cent.

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In the South Indian auctions, prices rose to an average of ₹140.40 a kg from ₹96.52 in 2019-20 – an increase of ₹43.88 a kg or 45.46 per cent.

In 2020-21, Kolkata auctions fetched the country's highest average price of ₹230.90 a kg while Tea serve auctions, the lowest price of ₹113.55. Traders attribute the price hike to the higher demand from both domestic buyers and export-buyers.

Experts' view

“The fiscal 2020-21 was an unusual year – Corona or Covid-19 year – when consumers across the globe believed that tea drinking could help build the much-needed immunity to fight virus. Consequently, there was an accentuated demand in all the auctions centres resulting in higher prices,” L Vairavan, Chairman, Coonoor Tea Trade Association, told *BusinessLine*.

“Besides, the market broadened for value-added teas where teas were mixed with immunity–boosting ingredients like herbs, spices, badam, saffron and rose petals to create products like Ashwagandha Tea, Kadha Tea and Triphala Tea. This meant increased use of tea which also pushed up the prices,” explained G Udayakumar, Director of speciality tea major Avataa Beverages.

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