

No takers for 24% teas despite price crashing to over a year low

P S SUNDAR Updated on August 09, 2021

Earnings fall 12% in just one week

Teas worth about ₹4.19 crore remained unsold at Sale No 31 of the auctions of Coonoor Tea Trade Association because there were no takers for as much as 24 per cent of the offer.

This was despite the average price crashing to ₹90.43 a kg – the lowest price not only among all the auctions held so far this calendar but the least since March 20, 2020. The volume sold dropped to 13.37 lakh kg – the lowest of the last four months.

With volume sold being less and the prices remaining low, the overall earnings dropped to ₹13.37 crore from the previous week's ₹15.14 crore. This meant that the earnings dropped by ₹1.77 crore or 11.69 per cent in just one week. In the last three weeks, producers and traders have lost ₹5.86 crore in their overall earnings.

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Torrential rains and various stages of lockdown to fight against Covid-19 have affected trade in many States as also in different countries. Besides the wildfire in some countries have affected business operations and goods movement there. These have reduced the orders on hand, traders and exporters said. Collectively, the demand and price for teas at the CTTA auctions were tellingly low.

No tea could cross ₹300/kg level at this week's auction. The Red Dust grade of bought leaf factory, Homedale Estate, auctioned by Global Tea Brokers, topped the entire auctions when Tea Services India Pvt Ltd bought it for ₹294 a kg.

The Red Dust grade from another bought leaf factory, Crosshill Estate, auctioned by Global Tea Brokers, fetched the second highest price of ₹240 a kg. Pinewood Estate got ₹236. Among orthodox teas, Glendale got ₹233, Havukal and Kairbetta ₹ 217 each, Kodanad ₹215, Chamraj ₹206 and Kil Kotagiri ₹200.

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