

# Tea Waste Can now be Exported

Move likely to open up potential ₹25-30 cr market for Indian tea producers

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**Kolkata:** Tea producers in the country can now export tea waste — which is mainly used for ready-to-drink tea popular in countries such as the US, UK and China — to global markets.

Tea Board of India, the central agency for promoting tea trade, has informed the producers about its decision to allow exports of tea waste such as tea sweepings, tea fluff, tea fibre and tea stalks produced during production of black tea, trade insiders said.

“This will open a new export avenue for Indian tea producers,” said Vivek Goenka, chairman of Indian Tea Association.

“Kenya, which is our competitor in the world market, has been selling these tea waste at a price of \$1 (or, around ₹74) per kg. So, there is a demand for this product in the world market,” he told ET. “In the domestic market, we are getting a price of ₹25-30 per kg.”

Exporters will have to disclose to the Tea Board specific details like the quantity of tea waste generated, quantity purchased, quantity exported and the remaining stock of tea waste, trade insiders said. The development is expected to help



boost the country's dwindling tea exports and open up a potential ₹25-30 crore market for Indian tea producers. India exported 71.07 million kg of teas in the first five months of 2021, which was 5.21 million kg less than a year earlier.

“High prices of tea have been one of the main reasons for lower exports,” Goenka said. “But in June and July, prices corrected by 25%. Therefore, the expectation in the trade is that exports will go up now. However, we are worried that prices should not fall below the current level.”

The country produces around 1,400 million kg of teas in a year. Tea waste constitutes 2-3% of

the total production, which means around 28-42 million kg annually.

Trade insiders are hopeful that the industry will be able to export the entire amount of tea waste to the global markets.

To boost exports, the trade has also urged the central government to work out a Preferential Trade Agreement (PTA) with Bangladesh that is close to major tea-producing states of Assam and West Bengal to ensure that the neighbouring country imports at least 15-20 million kg teas of areas like Cachar in Assam, Tripura, and North Bengal at zero or low duty. Bangladesh, a tea producing country, imports tea for own consumption and exports.

Trade sources, however, said India's overall tea exports may not reach 200 million kg this year due to steep competition from low-valued Kenyan teas in the global markets.

Kenya has taken advantage of its zero duty agreement with Egypt and made preferential quid-pro trade agreement (tea vis-à-vis rice) with Pakistan, the second largest importer of tea. These two countries buy more than 175 million kg of tea from Kenya in a year.

Kenya exports tea waste as broken mixed fannings (BMF) tea, trade insiders said.

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