



1. MARKET REPORT IN BRIEF:

- A. DEMAND :** GOOD.
- B. MARKET :** STEADY TO EASIER FOLLOWING QUALITY. FIBROUS TEAS GETTING DISCOUNTED.
- C. BUYING PATTERN:** HUL,TATA GLOBAL AND OTHER PACKETEERS LENT FAIR SUPPORT. UPCOUNTRY DESTINATIONS WERE ACTIVE. VERY LIMITED EXPORT ENQUIRY ON BOLDER BROKENS AND DUSTS.

2. TOTAL AUCTION WEIGHTED AVERAGE. (IN RS)

CATEGORY	2011/2012			2010/2011			UPTO - SALE -02		
	SALE 02	SALE 01	+/-	SALE 02	SALE 01	+/-	2011	2010	2009
LEAF	91.94	94.49	-2.55	98.29	97.03	+1.26	111.73	115.36	113.59
DUST	85.74	90.64	-4.90	92.56	93.17	-0.61	111.00	119.01	119.59
TOTAL	89.80	93.40	-3.60	96.60	95.86	+0.74	111.50	116.48	115.33

3. A. QUANTITY OFFERED & SOLD IN SALE 02 (IN LAC KGS)

CATEGORY	OFFERED QUANTITY	SOLD QUANTITY	OUT %	OUT %	OUT% UPTO SALE 02		
					IN SALE 02 LAST YEAR	2011	2010
LEAF	29.63	21.33	28	27	28.23	28.58	22.33
DUST	15.55	11.29	27	35	33.32	29.50	27.35
TOTAL	45.18	32.62	28	30	29.92	28.87	23.86

B. CATEGORY-WISE WEIGHTED AVERAGE (IN RS.)

	BROKENS	FANNINGS	PD/D	LEAF SEC	DUST SEC
S/02-2011	98.48	89.92	101.34	80.93	66.74
S/02-2010	102.07	94.78	102.93	91.07	76.62
S/02-2009	97.65	91.34	102.15	86.48	79.23

C. CATEGORY- WISE OFFERED AND SOLD PERCENTAGE.

	BROKENS	FANNINGS	LEAF SEC	PD/D/CD.	DUST SEC
OFFERED - SALE 02	38.76	4.75	22.06	19.85	14.58
SOLD - SALE 02	38.81	4.32	22.26	19.01	15.60

4. PRICE RANGE.

PRICE RANGE LEAF & DUST COMBINED	2011-12		UPTO S/02		
	SALE 02	SALE 01	2011	2010	2009
A. % OF TEA SELLING ABOVE RS. 160.00	3.11	3.71	6.58	8.98	1.56
B. % OF TEA SELLING BETWEEN RS. 150.00 - 159.99	3.44	3.75	8.68	7.77	4.17
C. % OF TEA SELLING BETWEEN RS. 140.00 - 149.99	4.58	4.80	9.46	9.97	8.02
D. % OF TEA SELLING BETWEEN RS. 130.00 - 139.99	5.33	5.17	8.72	10.04	15.05
E. % OF TEA SELLING BETWEEN RS. 120.00 - 129.99	4.28	6.70	9.01	11.14	15.39
F. % OF TEA SELLING BETWEEN RS. 110.00 - 119.99	6.41	8.58	10.77	11.64	16.23
G. % OF TEA SELLING BETWEEN RS. 100.00 - 109.99	8.54	10.32	11.56	11.43	16.43
H. % OF TEA SELLING BETWEEN RS. 90.00 - 99.99	9.09	9.63	8.19	8.88	11.25
I. % OF TEA SELLING BETWEEN RS. 80.00 - 89.99	10.51	8.04	8.39	7.23	7.08
J. % OF TEA SELLING BETWEEN RS. 70.00 - 79.99	13.48	9.45	7.50	5.97	4.03
K. % OF TEA SELLING BETWEEN RS. 60.00 - 69.99	10.56	10.07	6.02	4.96	0.74
L. % OF TEA SELLING BETWEEN RS. 50.00 - 59.99	12.89	14.42	3.97	1.84	0.04
M. % OF TEA SELLING BELOW RS. 50.00	7.78	5.36	1.15	0.15	0.01

5. FUTURE OFFERINGS (IN PKGS)

SALE 04 CLOSED ON 4 TH JANUARY 2011		THIS YEAR	LAST YEAR	+/-
LEAF :	} SALE DATE 24 TH & 25 TH JANUARY 2012	68279	64228	+4051
DUST :		22700	22392	+308
ORTHODOX		192	68	+124
TOTAL		91171	86688	+4483

6. OTHER INFORMATION - Incentive proposals brewing for tea producers

Tea producers can hope to be showered with financial incentives in the 12th Plan if the current thinking at the top level is any indication. The proposals before the government for consideration are for providing subsidy to the producers for undertaking capacity expansion of their existing gardens and for providing various other incentives, mostly financial, to make the Special Purpose Tea Fund (SPTF) more effective. In contrast to the policy initiatives of the 10th Plan and 11th Plan when the accent was more on consolidation, rejuvenation and replantation, the thrust in the 12th Plan will be on larger production to bridge the current demand-supply gap, it is learnt. According to one estimate, the demand during the 10-year period from 2001 to 2010 increased by an additional 170 million kg but the supply by 130 mkg or so. The population growth alone, it is estimated, will create an additional demand of 20 mkg every year, assuming that the consumption growth remains unchanged at the current level of three per cent or so. On the export front, it is felt that the country's share in global trade should be maintained. By March 2017, which will be the terminal year 12th Plan, domestic tea demand is projected to increase to 1,000 mkg, up from the present 800 mkg or so and the exports to 250 mkg from the present around 200 mkg. Where is this additional production going to come from? After all, land is a major constraint. Only the big tea companies which have surplus land available in their gardens can hope to add to their capacity. These companies therefore must be encouraged to pursue capacity expansion programme vigorously, it is felt. SPTF, launched about five years ago to encourage replantation, has not progressed as expected. Till March 2012, about 70,000 hectares are targeted to be covered under the scheme; in reality it will be only 26,000 hectares or so presumably because the incentives are not attractive enough. The crop loss caused by the uprooting has been a major stumbling block. The current thinking therefore is to provide cash compensation for the loss. The loan system too is proving to be cumbersome. Right now, the Tea Board takes loan from banks for on-lending to SPTF beneficiaries but Tea Board's job is not to undertake such activity. According to current thinking, Tea Board will withdraw from borrowing and lending activity, instead, the SPTF beneficiaries will take loan directly from the banks and Tea Board will provide interest subvention. There are further proposals for introducing a reward system. It has been suggested that any tea company undertaking replantation over and above the stipulated two per cent of the area under SPTF should be rewarded with additional subsidy. Also, to encourage the tea companies to produce more of quality tea, Tea Research Association should play an active role in providing field-worth plantation materials.