



# **TEA MARKET REPORT**

SALE NO: **10** of MARCH 07 & 08, 2023

## **LANKA COMMODITY BROKERS LTD**

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## COMMENTS

The Composite National Tea Average for February, 2023 stands at Rs. 1438.20, and, has overtaken the February, 2022 average by Rs. 712.57. The High Grown elevation with an average of Rs. 1402.55 for last month, has gained Rs. 706.07 over the corresponding average in 2022 whilst the Medium and Low Grown averages have improved by Rs. 612.19 and Rs. 730.54, respectively. During the *year-to-date* period this year, a Total Composite Average of Rs. 1454.84 has been achieved, which is an improvement of Rs. 739.37 over last year's Jan/Feb average.

This week's Tea Auction, namely Sale # 10 of 2023 was held on March 07 & March 08, 2023 (Tue/Wed), with a weight of 5.2 mkg, which was 0.8 Mkgs higher than the previous week's quantity. The Low Grown Leafy, Semi Leafy, Tippy & Small Leaf/ Premium Flowery catalogues totaled 2.4 mkg, while the Main Sale High & Medium segment had 0.56 mkg. The Ex Estate category had 0.7 mkg.

The Tea Auction prices across all catalogues witnessed a substantial lowering of prices on account of appreciation of the Sri Lankan Rupee against the USD. The SL Rupee has strengthened against the USD from last week, and is likely to appreciate further in the weeks ahead. In this backdrop, the buyers, whilst suffering heavy losses on account of the fluctuating parity rate between SLR and USD, are also adopting a "wait and see attitude" prior to making fresh purchases against orders in hand. Following this situation, "bulk buying" too has come to a halt, which is also contributing to the lower prices.

The market for teas in the Ex Estate catalogue experienced much lower prices. A few selected Western BOP's were firm following special enquiry whilst other "best" category BOP's together with "below-best" sorts witnessed price declines of Rs. 200/- per kg. The better Western BOPF's were lower up to Rs. 300/- whilst below-best teas also eased Rs. 200/- to 300/-. Western BOP's and BOPF's at the lower end of the market eased Rs. 150/- to 200/- per kg. The better Nuwara Eliya BOP's declined Rs. 200/- to 300/- while others eased to a lesser extent. There was however, a paucity of Nuwara Eliya BOPF's offerings. Neater Uda Pussellawa BOP's were about firm, while their corresponding BOPF's eased Rs. 200/-. Uva BOP's declined Rs. 100/- on average whilst their BOPF's counterparts were lower up to Rs. 200/-. CTC Teas – High Grown PF1's eased Rs. 100/- to 150/-, while, Mediums followed a similar trend. The better Low Grown PF1's lost Rs. 300/- per kg and more, while others eased to a lesser extent. There were hardly any High Grown BP1's on offer, while, Mediums were irregular. Low Grown sorts were firm to marginally easier. There was selective demand from the Western Markets, while buyers for Japan, China and Taiwan were also less active. Russian interest was maintained.

There was much uncertainty in the market for Low Grown teas, following the significant appreciation of the SLR against the USD. Additionally, the lull in fresh orders from Iran also put further pressure on the market, and, heavily contributed to the substantially lower prices recorded across both Leafy and Tippy / Small Leaf segments. Well-made OP1's were Rs. 200/- to 300/- easier, while bottom level teas lost up to Rs. 200/-. OP's and OPA's in general declined up to Rs. 150/-, whilst, BOP1's were lower up to Rs. 200/-. Pekoes / PEK1's also eased by Rs. 200/- on average. Well-made, FBOP's were easier by Rs. 200/- to 300/- whilst secondary sorts declined Rs. 200/- to 250/-. FBOPF1's lost Rs. 200/- to 250/-. Small leaf FBOPF's were substantially lower. There was much less demand from Iran, whilst bulk buyers for Saudi Arabia, The UAE and other Middle Eastern countries, as well as Russia and the CIS operated on a low key. Türkiye and Syria were less active for Pekoe grades. Libya supported the secondary whole leaf grades, whilst Iraq was active for bottom level teas.

This week's auction comprised of 10,429 lots with a total quantity of 5,243,153 kgs.

The catalogue wise breakdown was as follows:-

	<u><b>Lots</b></u>	<u><b>Qty. (Kgs)</b></u>
<b>Low Grown Leafy</b>	1,863	681,950
<b>Low Grown Semi Leafy</b>	1,567	696,173
<b>Low Grown Tippy</b>	2,077	1,029,750
<b>High &amp; Medium</b>	1,302	565,062
<b>Off Grade/BOP1A</b>	2,148	1,053,129
<b>Dust</b>	508	452,611
<b>Premium Flowery</b>	276	45,331
<b>Ex-Estate</b>	<u>688</u>	<u>719,147</u>
<b>Total</b>	<u><b>10,429</b></u>	<u><b>5,243,153</b></u>

*In Lighter Vein*

### ***The Wrong Answer***

Mr. Jacobs, the biology instructor at a posh suburban girl's junior college, said during class, "Miss Arnold, would you please name the organ of the human body, which under the appropriate conditions, expands to six times its normal size, and define the conditions." Miss Arnold gasped, then said coldly, "Mr. Jacobs, I don't think that is an appropriate question to ask me. I assure you my parents will hear of this!" With that she sat down red-faced.

Unperturbed, Mr. Jacobs called on Miss Jones, another student, and asked the same question. Miss Jones, with composure, replied: "That would be the pupil of the eye, under conditions of dim light." "Correct," said Mr. Jacobs. "And now, Miss Arnold, I have three things to say to you:

One, you have not studied your lesson. Two, you have a dirty mind. And three... you will someday be faced with dreadful disappointment."

## LOW GROWN TEAS

### LEAFY/SEMI LEAFY

- BOP1** : Select best lost Rs.30-50/- per kg whilst others were Rs.50-70/- lower.
- OP1** : Best on offer declined Rs.50-70/- per kg whilst others were irregular and mostly lower.
- OP** : Select best types declined Rs.39-50/- per kg whilst others were Rs.40-60/- per kg lower.
- OPA** : Stylish OPA's declined Rs.30-40/- per kg whilst others were irregular and mostly lower.
- PEK/PEK1**: Best on offer declined by Rs.40-60/- per kg and others were Rs.25-50/- per kg lower.

Quotations (Rs./Kg)	Best		Below Best		Others	
	<u>This Week</u>	<u>Last Week</u>	<u>This Week</u>	<u>Last Week</u>	<u>This Week</u>	<u>Last Week</u>
<b>BOP1</b>	<b>1800-2900</b>	2300-3200	<b>1100-1800</b>	1400-2300	<b>800-1100</b>	1000-1400
<b>OP1</b>	<b>1300-3350</b>	1700-3550	<b>900-1300</b>	1100-1700	<b>700-900</b>	800-1100
<b>OP</b>	<b>1600-2000</b>	1700-2250	<b>1000-1600</b>	1400-1700	<b>800-1000</b>	1000-1400
<b>OPA</b>	<b>1600-2000</b>	1850-2350	<b>1200-1600</b>	1450-1850	<b>900-1200</b>	1000-1450
<b>PEK/PEK1</b>	<b>1800-2350</b>	2000-2650	<b>1200-1800</b>	1500-2000	<b>900-1200</b>	1000-1500

### TIPPY/SMALL LEAF

- BOP/BOPSP** : A selection of few select best BOP's on special inquiry were firm whilst all others declined sharply.
- BOPF/BOPFS** : Well-made BOPFs were substantially lower whilst balance too were easier to a lesser extent.
- FBOP/FBOP1** : Well-made FBOP's together with below best were substantially lower. Teas at the lower end were easier to a lesser extent. FBOP1's in general declined sharply.
- FBOPF/FBOPF1** : Flowery teas together with best and below best were substantially lower and were mostly unsellable due to insufficient bids. However a few teas at the lower end sold on last levels. FF1's in general were substantially lower and a times unsellable due to lack of sufficient bids.
- FBOPFSP/EXSP** : Declined sharply. Best and below best were substantially lower and were mostly unsellable.

Quotations (Rs./Kg)	Best		Below Best		Others	
	<u>This Week</u>	<u>Last Week</u>	<u>This Week</u>	<u>Last Week</u>	<u>This Week</u>	<u>Last Week</u>
<b>BOP/BOPSP</b>	<b>1600-2650</b>	1800-2800	<b>1000-1600</b>	1300-1800	<b>850-1000</b>	1000-1300
<b>BOPF /BOPFSP</b>	<b>1400-2050</b>	1700-2000	<b>1000-1400</b>	1200-1700	<b>800-1000</b>	900-1200
<b>FBOP/FBOP1</b>	<b>1250-2200</b>	1600-2700	<b>1000-1250</b>	1300-1600	<b>900-1000</b>	1100-1300
<b>FBOPF/FBOPF1</b>	<b>1200-2000</b>	1600-2300	<b>900-1200</b>	1300-1600	<b>800-900</b>	1100-1300
<b>FBOPFSP/EXSP</b>	<b>2000-5500</b>	3500-5350	<b>1000-2000</b>	2000-3500	<b>850-1000</b>	1500-2000

## **MEDIUM GROWN LEAFY/SEMI LEAFY TEAS**

- FBOP** : Best teas on offer declined fairly sharply whilst the balance too declined in value.
- FBOPF/FBOPF1** : Best teas on offer depreciated drastically. Best and poorer sorts too declined fairly sharply.
- PEK/PEK1** : Best shotty invoices eased Rs.300/- and more. Lower end and mixed varieties too were discounted in value.

Quotations (Rs./Kg)	Best		Below Best		Others	
	<u>This Week</u>	<u>Last Week</u>	<u>This Week</u>	<u>Last Week</u>	<u>This Week</u>	<u>Last Week</u>
<b>FBOP</b>	<b>1350-1800</b>	1400-2250	<b>950-1350</b>	1050-1400	<b>850-950</b>	900-1050
<b>FBOPF/FBOPF1</b>	<b>1200-1550</b>	1300-1850	<b>800-1200</b>	950-1300	<b>750-800</b>	850-950
<b>PEK/PEK1</b>	<b>1500-2050</b>	1700-2300	<b>1000-1500</b>	1150-1700	<b>850-1000</b>	1050-1150

## **HIGH GROWNS TEAS**

**BOP:** Best Western's - Few select invoices were firm following special inquiry whilst the others declined up to Rs. 2/00 per kg and more following quality. In the Below Best category better teas declined up to Rs. 200/- per kg and more following quality, whilst the others together with teas at the lower end of the market were Rs. 100-150 per kg easier. Nuwara Eliya's - Better teas declined Rs. 200-300 per kg whilst the others were firm and lower to a lesser extent. Uda Pussellawa's - Neat leaf teas were firm and deare whilst the others were generally firm. Uva's - Teas in the higher price bracket declined Rs. 100 per kg and more, whilst the others were firm.

**BOPF:** Best Westerns were up to Rs. 300 per kg easier, In the Below Best category brighter sorts were Rs. 200-300 per kg lower whilst teas at the lower end were Rs. 200 per kg easier, on average. Nuwara Eliya's had hardly any offerings. Uda Pussellawa's - Better teas declined Rs. 200 per kg, whilst the others were generally firm, Uva's, on average, declined Rs. 200 per kg.

Quotations (Rs./Kg)	BOP		BOPF	
	<u>This Week</u>	<u>Last Week</u>	<u>This Week</u>	<u>Last Week</u>
<b>Best Westerns</b>	<b>1500-2050</b>	1700-1950	<b>1400-1550</b>	1650-1900
<b>Below Best Westerns</b>	<b>1260-1480</b>	1460-1650	<b>1280-1380</b>	1500-1600
<b>Plainer Westerns</b>	<b>1100-1240</b>	1340-1440	<b>1120-1260</b>	1400-1480
<b>Nuwara Eliyas</b>	<b>1460-1550</b>	1800	<b>1400</b>	1750-1850
<b>Brighter UdaPussellawas</b>	<b>1320-1420</b>	1260-1300	<b>1220-1280</b>	1340-1460
<b>Other Uda Pussellawas</b>	<b>1080-1180</b>	1200-1220	<b>1120-1200</b>	1160-1260
<b>Best Uva's</b>	<b>1260-1400</b>	1360-1420	<b>1260-1340</b>	1400-1550
<b>Other Uva's</b>	<b>1200-1220</b>	1100-1240	<b>1160-1240</b>	1280-1300

## MEDIUM GROWN TEAS

**BOP** : Large Leaf teas were substantially easier and mostly unsold whilst the others were up to R.100/- per kg lower.

**BOPF** : Better sorts declined Rs.200-300/- per kg whilst the poorer sorts were firm and lower to a lesser extent.

Quotations (Rs./Kg)	BOP		BOPF	
	<u>This Week</u>	<u>Last Week</u>	<u>This Week</u>	<u>Last Week</u>
Best Westerns	900-2000	1000-2250	1020-N/A	940-N/A

## CTC TEAS

### HIGH GROWN:

**BP1** - Hardly any offerings

**PF1** - Declined Rs.100-150/- per kg.

### MEDIUM GROWN:

**BP1** - Irregular.

**PF1** - Better sorts were Rs.100-150/- per kg easier whilst the others were firm to marginally easier.

### LOW GROWN:

**BP1** - Firm to marginally easier.

**PF1** - Better sorts declined by Rs.300/- per kg and more whilst the others were irregular and lower to a lesser extent.

Quotations (Rs./Kg)	BP1		PF1	
	<u>This Week</u>	<u>Last Week</u>	<u>This Week</u>	<u>Last Week</u>
High	NOT QUOTED	NOT QUOTED	1140-1340	1240-1440
Medium	1020-1260	1040-1340	780-1300	740-1380
Low	750-1420	810-1400	860-1400	710-2000

## OFF GRADES

**FGS/FGS1** : Select best Liquoring FNGS/FNGS1s lost Rs.200/- per kg whilst others held firm. Clean Low Grown well-made FNGS1s lost Rs.200-220/- per kg whilst others followed a similar trend.

**BM** : Best Well-made BMs lost Rs.200-220/- per kg whilst poorer types firm to lower by Rs.75-100/- per kg.

**BOP1A** : Select best BOP1As lost Rs.200-250/- per kg. Best teas lost Rs.100-200/- per kg. Poorer types lost Rs.50-100/- per kg.

QUOTATIONS (Rs./kg)	HIGH		MEDIUM		LOW	
	<u>This Week</u>	<u>Last Week</u>	<u>This Week</u>	<u>Last Week</u>	<u>This Week</u>	<u>Last Week</u>
Good Fannings (Orthodox)	800-1200	850-1390	730-840	730-880	720-880	750-920
Good Fannings (CTC)	600-770	600-850	720-800	730-880	720-800	750-920
Other Fannings (Orthodox)	550-720	580-800	700-800	730-880	700-800	750-920
Other Fannings (CTC)	N/A	N/A	N/A	N/A	N/A	N/A
Good BM's	720-800	800-920	750-820	870-940	750-820	850-960
Other BM's	650-720	800-900	650-750	820-910	650-750	820-920
Best BOP1As	770-840	890-970	800-890	950-1020	1100-1200	1500-1700
Other BOP1As	750-800	850-920	750-800	850-920	750-810	850-990

## DUST

**DUST/DUST1** : High Grown liquoring D/Dust1's eased Rs.50-70/- per kg whilst their secondaries and below best types were Rs.40-60/- per kg lower. Low Grown clean Dust/Dust1's were Rs.25-50/- per kg lower whilst the lower end teas were sold on last levels.

**PD** : High Grown teas declined by Rs.40-80/- per kg whilst the mid grown were irregular and mostly lower. Low Grown showed a marked decline and dropped Rs.80-150/- per kg.

QUOTATIONS (Rs./kg)	HIGH		MEDIUM		LOW	
	<u>This Week</u>	<u>Last Week</u>	<u>This Week</u>	<u>Last Week</u>	<u>This Week</u>	<u>Last Week</u>
Good Primary Dust1 (Orthodox)	1300-1800	1500-2000	700-1600	1000-1600	800-1500	1000-1900
Good Primary PD (CTC)	750-1380	850-1500	700-1460	1000-1500	600-1550	700-1650
Secondary Dust	650-1480	700-1600	700-980	900-980	600-960	650-1000

**WESTERN MEDIUM**

New Rothschild	BOP1	1800/-
Dartry Valley	OP1	1750/-
Cooroondoowatte	OP/OPA	1700/-
<b>*Harangalla</b>	<b>PEK/PEK1</b>	<b>2050/-</b>
<b>*Harangalla</b>	<b>PEK/PEK1</b>	<b>2000/-</b>
<b>*Uplands</b>	<b>PEK/PEK1</b>	<b>2000/-</b>
<b>*Dartry Valley</b>	<b>PEK/PEK1</b>	<b>2000/-</b>
Dartry Valley	PEK/PEK1	2000/-
Nayapane	BOP	2000/-
Nayapane	BOPSP	1480/-
<b>*Uplands</b>	<b>BOPF/BOPFSP</b>	<b>1420/-</b>
Doombagatalawa	FBOP/FBOP1	1800/-
<b>*Harangalla</b>	<b>FBOP/FBOP1</b>	<b>1700/-</b>
Dartry Valley	FBOPF/FBOPF1	1550/-

**WESTERN HIGH**

Somerset	BOP	2050/-
Wattegodde	BOP SP	1500/-
Dessford	BOPSP	1500/-
Somerset	BOPSP	1500/-
Somerset	BOPF/BOPFSP	1550/-
Great Western	BOPF/BOPFSP	1550/-
Wattegodde	BOPF/BOPFSP	1550/-
Frotoft Super	BOP1	1800/-
Bogahawatte	FBOP/FBOP1	1400/-
Weddemulla	FBOPF/FBOPF1	1420/-
St.Andrews	OP/OPA	1550/-
Venture	OP/OPA	1550/-
St. Andrews	OP1	1700/-
Frotoft Super	PEK/PEK1	1850/-

**NUWARA ELIYA**

Kenmare	BOP	1550/-
Lovers Leap	BOPF/BOPFSP	1400/-
Court Lodge	FBOP/FBOP1	1160/-
Court Lodge	OP/OPA	1500/-
Court Lodge	PEK/PEK1	1800/-

**CTC TEAS****HIGH GROWN**

Ulugedara CTC	PF1	1340/-
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**MEDIUM GROWN**

New Peacock CTC	PF1	1300/-
Delta CTC	BP1	1260/-
Aultmore CTC	BPS	980/-

**LOW GROWN**

<b>*Kalubowitiyana</b>	<b>CTC PF1</b>	<b>1400/-</b>
Ceciliyan CTC	BP1	1420/-
Ross Field	BPS	980/-

**UVA MEDIUM**

Demodera 'S'	BOP1	1650/-
Tiniyaya	OP1	1850/-
Dickwella	OP/OPA	1750/-
Uva Samovar	PEK/PEK1	1900/-
Aruna Passara	PEK/PEK1	1950/-
El Teb	BOP	1220/-
Halpewatte Uva	BOPSP	1240/-
El Teb	BOPF/BOPFSP	1220/-
Halpewatte Uva	FBOP/FBOP1	1480/-
Maratenne	FBOPF/FBOPF1	1480/-
Meddakanda	FBOPF/FBOPF1	1480/-

**UVA HIGH**

Gonamotawa	BOP1	1550/-
Spring Valley	BOP1	1550/-
Oodoowerre	OP1	1800/-
Craig	OP/OPA	1550/-
Mount Uva	OP/OPA	1550/-
Mount Uva	PEK/PEK1	2000/-
Kelliebedde	BOP	1400/-
Ranaya	BOPSP	1360/-
Bandara Eliya	BOPF/BOPFSP	1340/-
Uvakellie	FBOP/FBOP1	1420/-
Oodoowerre	FBOPF/FBOPF1	1500/-

**UDA PUSSELLAWA**

Delmar	BOP1	1750/-
Alma	OP1	1750/-
Alma	OP/OPA	1600/-
<b>*Delmar</b>	<b>PEK/PEK1</b>	<b>1900/-</b>
Mooloya	BOP	1420/-
Luckyland	BOPSP	1260/-
Lidesdale	BOPF/BOPFSP	1280/-
<b>*Delmar</b>	<b>FBOP/FBOP1</b>	<b>1300/-</b>
Alma	FBOPF/FBOPF1	1220/-
<b>*Delmar</b>	<b>FBOPF/FBOPF1</b>	<b>1220/-</b>

**OFF GRADES**

Veddagala	BP	1220/-
<b>*Orange Field</b>	<b>BP</b>	<b>1160/-</b>
Dunsinane CTC	PF	1000/-
Wathurawila	BM	1600/-
<b>*Aldora</b>	<b>BM</b>	<b>1020/-</b>
Kew	FNGS/FNGS1	1300/-
<b>*Chandrika Estate</b>	<b>BOP1A</b>	<b>1700/-</b>
<b>*Narangala Super</b>	<b>BOP1A</b>	<b>1550/-</b>
Chandrika Estate	BOP1A	1550/-
Aldora	BOP1A	1550/-
Ransegoda	BOP1A	1550/-

**LOW GROWN LEAFY GRADES**

<b>*Sithaka</b>	<b>BOP1</b>	<b>2900/-</b>
Pothotuwa	OP1	3350/-
<b>*Mahaliyadda</b>	<b>OP</b>	<b>2000/-</b>
Susantha	OP	2000/-
Nilwala	OP	1950/-
Sachitha	OP	1950/-
Golden Garden	OP	1950/-
<b>*Katandola</b>	<b>OP</b>	<b>1900/-</b>
<b>*Kurunduwatte</b>	<b>OP</b>	<b>1900/-</b>
<b>*Athukorala Group</b>	<b>OP</b>	<b>1900/-</b>
Liyonta	OPA	2000/-
Lumbini	PEKOE	2300/-
New Batuwangala	PEKOE1	2350/-
Galathara	PEKOE1	2300/-
Golden Garden	PEKOE1	2300/-
<b>*Andaradeniya Super</b>	<b>PEKOE1</b>	<b>2200/-</b>

**LOW GROWN TIPPY GRADES**

Wathurawila	BOP	2600/-
New Batuwangala	BOPSP	1750/-
<b>*Sithaka</b>	<b>BOPF</b>	<b>2050/-</b>
<b>*Hidellena</b>	<b>BOPF</b>	<b>2000/-</b>
Broadlands SH	BOPFSP	1650/-
<b>*Mahaliyadda</b>	<b>BOPFSP</b>	<b>1400/-</b>
<b>*Sithaka</b>	<b>BOPFSP</b>	<b>1400/-</b>
New Vithanakande	FBOP	2200/-
New Batuwangala	FBOP1	1700/-
<b>*Sithaka</b>	<b>FBOP1</b>	<b>1600/-</b>
<b>*Sithaka</b>	<b>FBOP1</b>	<b>1550/-</b>
Gunawardana	FBOPF	1750/-
<b>*Hadigalla</b>	<b>FBOPF</b>	<b>1440/-</b>
<b>*Raigamkorale</b>	<b>FBOPF</b>	<b>1380/-</b>
Pothotuwa	FBOPF1	2000/-
Fortune	FBOPF1	1750/-
<b>*New Hopewell</b>	<b>FBOPF1</b>	<b>1650/-</b>

**PREMIUM FLOWERY**

Lumbini	FBOPFSP	2450/-
Nilgiri	FBOPFEXSP	5500/-
Sachitha	FBOPFEXSP1	3200/-
Kamarangapitiya	FBOPFEXSP1	2050/-
<b>*Sanasa</b>	<b>FBOPFEXSP1</b>	<b>1850/-</b>

**Dust**

Mattekelle	DUST	1480/-
Mattekelle	DUST1	1800/-
Kalubowitiyana	CTCPD	1550/-



## NATIONAL ELEVATIONAL AVERAGES – FEBRUARY, 2023

Elevation	MONTH		TO-DATE	
	QUANTITY -KG-	AVERAGE -RS.-	QUANTITY -KG-	AVERAGE -RS.-
ORTHODOX				
UVA-HIGH	844,126.00	1,248.23	2,120,351.00	1,248.14
WESTERN-HIGH	2,150,830.00	1,517.83	5,239,679.00	1,517.22
UVA-MEDIUM	677,318.00	1,229.11	1,789,945.00	1,244.10
WESTERN-MEDIUM	1,171,373.00	1,247.74	2,994,718.00	1,274.27
LOW	10,365,236.00	1,540.27	24,703,914.00	1,570.81
<b>TOTAL</b>	<b>15,208,882.00</b>	<b>1,484.50</b>	<b>36,848,607.00</b>	<b>1,504.65</b>
C T C				
UVA -HIGH	46,400.00	1,323.92	92,720.00	1,303.14
WESTERN- HIGH	218,020.00	1,279.45	578,688.00	1,257.66
WESTERN - MEDIUM	560,517.00	1,109.98	1,328,215.00	1,112.15
LOW	1,051,007.00	1,039.86	2,352,120.00	1,060.38
<b>TOTAL</b>	<b>1,875,944.00</b>	<b>1,095.68</b>	<b>4,351,743.00</b>	<b>1,107.59</b>
ORTHODOX/ CTC (Combined)				
UVA-HIGH	890,526.00	1,252.17	2,213,071.00	1,250.44
WESTERN-HIGH	2,368,850.00	1,495.90	5,818,367.00	1,491.40
UVA-MEDIUM	677,318.00	1,229.11	1,789,945.00	1,244.10
WESTERN-MEDIUM	1,731,890.00	1,203.16	4,322,933.00	1224.46
LOW	11,416,243.00	1,494.20	27,056,034.00	1,526.44
<b>TOTAL</b>	<b>17,084,826.00</b>	<b>1,441.81</b>	<b>41,200,350.00</b>	<b>1,462.71</b>



## COLOMBO AUCTION – WEEKLY GROSS SALE AVERAGES

SALE NO.09 OF 28<sup>TH</sup> FEBRUARY, 2023

	2023			2022	
	Weekly	Month to Date	Year to Date	Weekly	Year to Date
Uva High Grown	1,282.49	1,247.22	1,245.20	645.73	638.22
Western High Grown	1,492.73	1,498.18	1,486.06	704.42	720.73
High Grown	1,440.05	1,432.01	1,422.31	690.00	698.17
Uva Medium	1,281.13	1,231.05	1,258.42	674.64	662.39
Western Medium	1,256.36	1,204.18	1,226.71	593.16	623.17
Medium Grown	1,263.25	1,211.57	1,235.85	613.07	634.42
Low Grown (Orthodox)	1,557.21	1,538.18	1,568.74	753.78	767.94
Combined L.G. (Orthodox + CTC)	1,526.93	1,493.43	1,540.47	734.59	750.92
<b>Total</b>	<b>1,471.03</b>	<b>1,441.11</b>	<b>1,472.38</b>	<b>702.73</b>	<b>720.09</b>

Private Sale Figures (27.02.2023 – 04.03.2023) - 129,520.50 kgs

Cumulative - 902,663.35 kgs

### DETAILS OF TEAS AWAITING SALE

	<u>Sale of 14<sup>th</sup> /15<sup>th</sup> Mar. '23</u>		<u>Sale of 21<sup>st</sup> /22<sup>nd</sup> Mar. '23</u>	
	<u>Lots</u>	<u>Qty. (Kgs)</u>	<u>Lots</u>	<u>Qty. (Kgs)</u>
Low Grown Leafy	1,802	665,676	1,853	683,788
Low Grown Semi Leafy	1,475	628,701	1,424	620,918
Low Grown Tippy	1,882	902,985	1,842	890,343
High & Medium	1,420	636,125	1,437	660,279
Off Grade/BOP1A	2,001	976,954	2,085	1,040,431
Dust	550	505,540	556	518,127
Premium Flowery	284	45,524	247	46,126
Ex-Estate	<u>718</u>	<u>737,125</u>	<u>724</u>	<u>736,512</u>
<b>Total</b>	<b><u>10,132</u></b>	<b><u>5,098,630</u></b>	<b><u>10,168</u></b>	<b><u>5,196,524</u></b>

## **FUTURE CATALOGUES CLOSURE**

### **Sale No. 13 of 28<sup>th</sup>/29<sup>th</sup> March, 2023**

The Main Sale & Ex-Estate Sale catalogues are scheduled to be closed on **09<sup>th</sup> March, 2023 at 04.30 p.m.**

### **Sale No.14 of 03<sup>rd</sup>/04<sup>th</sup> April, 2023**

The Main Sale & Ex-Estate Sale catalogues are scheduled to be closed on **16<sup>th</sup> March, 2023 at 04.30 p.m.**

### **Sale No.15 of 18<sup>th</sup> /19<sup>th</sup> April, 2023**

The Main Sale & Ex-Estate Sale catalogues are scheduled to be closed on **23<sup>rd</sup> March, 2023 at 04.30 p.m.**

## **BROKER'S SELLING ORDER**

### **SALE NO. 11**

#### **Auction of 14<sup>th</sup>/15<sup>th</sup> March, 2023**

#### **Leafy/Semi Leafy/Tippy/BOP1A/ Premium Flowery**

1. **Lanka Commodity Brokers Ltd**
2. Bartleet Produce Marketing (Pvt) Ltd
3. Mercantile Produce Brokers (Pvt) Ltd
4. Forbes & Walker Tea Brokers (Pvt) Ltd
5. Asia Siyaka Commodities PLC
6. Eastern Brokers PLC
7. Ceylon Tea Brokers PLC
8. John Keells PLC

#### **High & Medium/Off Grades/Dust**

1. Eastern Brokers PLC
2. Ceylon Tea Brokers PLC
3. **Lanka Commodity Brokers Ltd**
4. Bartleet Produce Marketing (Pvt) Ltd
5. Forbes & Walker Tea Brokers (Pvt) Ltd
6. Mercantile Produce Brokers (Pvt) Ltd
7. Asia Siyaka Commodities PLC
8. John Keells PLC

#### **Ex-Estate**

1. John Keells PLC
2. Mercantile Produce Brokers (Pvt) Ltd
3. Asia Siyaka Commodities PLC
4. Bartleet Produce Marketing (Pvt) Ltd
5. Forbes & Walker Tea Brokers (Pvt) Ltd
6. Eastern Brokers PLC
7. Ceylon Tea Brokers PLC
8. **Lanka Commodity Brokers Ltd**

## Crop & Weather

**For the period of 27<sup>th</sup> February to 05<sup>th</sup> March, 2023**

### **Western/Nuwara Eliya Regions:**

Sunny mornings and gloomy weather conditions with occasional showers during the evenings were reported in the Western Region, whilst the Nuwara Eliya Region reported dull weather with showers throughout the week. According to the Department of Meteorology, heavy evening showers are expected in both regions in the week ahead.

### **Uva/ Udapussellawa Region:**

The Uva Region reported clear mornings and evening showers, whilst the Udapussellawa Region reported dull mornings and evening showers throughout the week. Heavy showers are expected in the Uva Region in the week ahead according to the Department of Meteorology.

### **Low Grown:**

Sunny mornings and evening showers were reported in the Low Grown Region throughout the week. The Department of Meteorology expects heavy showers in the Ruhuna and Sabaragamuwa regions in the week ahead.

### **Crop Intake:**

The Western, Udapussellawa and Low Grown regions maintained the crop intake, whilst the Nuwara Eliya and Uva regions reported a slight decline.

## **WORLD CROP STATISTICS (MKGS)**

<i>Country</i>	<i>Month</i>	<i>2022</i>	<i>2023</i>	<i>Difference +/-</i>	<i>To-date 2022</i>	<i>To-date 2023</i>	<i>Difference +/-</i>
<b>BANGLADESH</b>	<i>Jan.</i>	0.051	0.036	-0.02	0.051	0.036	-0.02
<b>SRI LANKA</b>	<i>Jan.</i>	<b>22.86</b>	<b>19.13</b>	<b>-3.73</b>	<b>22.86</b>	<b>19.13</b>	<b>-3.73</b>

<i>Country</i>	<i>Month</i>	<i>2021</i>	<i>2022</i>	<i>Difference +/-</i>	<i>To-date 2021</i>	<i>To-date 2022</i>	<i>Difference +/-</i>
<b>KENYA</b>	<i>Nov.</i>	50.70	49.20	-1.50	485.30	478.00	-7.3
<b>NORTH INDIA</b>	<i>Dec.</i>	50.80	48.0	-2.80	1108.00	1110.40	2.40
<b>SOUTH INDIA</b>	<i>Dec.</i>	15.00	14.40	-0.60	235.00	230.10	-4.90
<b>MALAWI</b>	<i>Aug.</i>	2.09	1.99	-0.10	38.40	35.70	-2.7
<b>TANZANIA</b>	<i>June</i>	1.80	1.76	-0.04	16.56	20.37	3.8
<b>UGANDA</b>	<i>July</i>	5.65	2.77	-2.9	45.86	33.32	-12.54

## OTHER MARKETS

### MALAWI MARKET REPORT

#### SALE No. 10 HELD ON 08/03/2023

There was selective demand a generally firm levels for the 5440 packages on offer.

**BP1** – Were firm to 1 USC easier where sold.

**PF1** – Better liquoring invoices were firm to 4 USC dearer, medium clean leaf types held firm where sold.

**PF1SC/PD** – were steady where sold.

**Secondaries** – A Few selected lines were firm on last, balance neglected on account of low quality.

#### WEATHER/CROP FOR THE WEEK ENDING 05<sup>TH</sup> MARCH, 2023

Partly cloudy, warm to hot during the day with cool nights. All planting districts reported rainfall activity. Thyolo received more and Mulanje less than last.

Crop intakes were higher this week.

## BANGLADESH AUCTION

### SALE NO.44 OF MONDAY 06<sup>th</sup> MARCH, 2023

**CTC LEAF** : 20,505 packages of Current Season & 78 packages of New Season teas on offer met with a fairly strong demand.

**BROKENS/FANNINGS** : There was a strong demand for all varieties on offer with prices for quite a few Invoices advancing following competition. However, there were some withdrawals. BLF teas witnessed better interest and were mostly firm.

**CTC DUST** : 4,512 packages of Current Season & 20 packages of New Season teas on offer met with a good demand at slightly dearer rates. There were few withdrawals in this sale. Loose tea buyers were active whilst Blenders operated on a few Medium Dusts.

**COMMENTS** : This was the pen-ultimate sale of the season where the quality was mostly of end of season variety. There was a stronger demand where buyers, particularly Loose tea section of the market lent a greater support. As a result, quite a few teas tended dearer.

**NEW SEASON 2023/2024** : A few lines of New Season teas sold well following competition.

### Quotations – This Week – (In Taka)

Brokens	This Week	Last Week	Fannings	This Week	Last Week	Dust	This Week	Last Week
Large	NQTA	NQTA	Best	230-260N	210-240	PD	105-185	94-240
Medium	150-170N	150-170	Good	160-180	170-190	RD	94-247	100-261
Small	150-180N	155-185	Medium	120-140	125-145	D	95-239	125-273
Plain	95-115	80-110	Plain	95-115	80-110	CD	120-230	122-304
BLF	115-150	120-155	BLF	115-150	120-155	BLF	132-145	132-138

**COURTESY: NATIONAL BROKERS LTD**



## **SOUTH INDIAN ROUNDUP**

**FOR THE WEEK ENDING – 04<sup>TH</sup> MARCH, 2023**

### **KOCHI**

#### **CTC LEAF**

**Demand :** Good Demand, All grades sold around last levels.

#### **ORTHODOX LEAF**

**Demand :** Good Demand.

**Market :** The whole leaf grades sold steady to dearer levels especially the Nilgiri highgrown. The tippy and primary broken sold irregular around last levels, secondary broken and fannings sold dearer by Rs.2/- to Rs.3/-.

**Buying Pattern :** CIS & Tunisia buyers operated.

#### **DUST**

**Demand :** Good Demand

**Market :** Good liquoring, Popular varieties and better mediums seen sold around last levels. Plainer sorts also met with some enquiry at firm levels with some withdrawals.

**Buying Pattern :** Major Blenders operated with some support from packeteers, internal buyers were selective.

### **COONOOR**

#### **CTC LEAF**

**Demand :** Fair.

**Market :** Market opened on an easier trend by Rs. 3/- to Rs. 5/- on the Good and Better categories. Also noticed out list on Best categories and some Smaller Broken. Medium and Plainer categories were Rs. 1/- to Rs. 2/- easier. As the sale progressed the unsold percentage was comparatively more than the opening market.

**The overall sale percentage is 71% at an average of Rs. 114.54.**

**Buying Pattern :** Major Blenders and Packeteers rendered fair support along with the Internal buyers. However the Exporters were very selective.

#### **ORTH LEAF**

**Demand :** Good.

**Market :** Fully firm to dearer.

**The overall sale percentage is 97% at an average of Rs. 132.37.**

**Buying Pattern :** Exporters and Internal Buyers rendered good support.

**CTC DUST****Demand :** Good.**Market :** Market was irregularly lower across all categories of teas.**The overall sale percentage is 89% at an average of Rs. 122.24.****Buying Pattern :** Fairly good support from the Exporters, equally well supported by Internal and Packeteers.**ORTH DUST****Demand :** Good.**Market :** Barely maintained to last, however Primary dust appreciated.**The overall sale percentage is 96% at an average of Rs. 112.82.****Buying Pattern :** Good participation rendered by the Internal buyers. Exporters were very selective.**COIMBATORE****CTC LEAF****Demand :** Fair general demand.**Market :** Better and popular sorts were lower by Rs.2/- to Rs.3/- with some withdrawals. Medium teas were lower by Rs.2/- sometimes more. Plainer teas were lower by Rs.3/- to Rs.4/-.**Buying Pattern :** All sections were selective.**ORTH LEAF****Demand :** Good demand.**Market :** Whole leaf dearer by Rs.5/-. Better medium brokenes were steady. Secondary brokenes were dearer by Rs.5/- to Rs.8/-. BOPF not quotable.**Buying Pattern :** Exporters were active.**CTC DUST****Demand :** Fair general demand.**Market :** Better medium and popular sorts were lower by Re.1/- to Rs.2/- with some withdrawals. Medium / plainer teas were lower by Rs.2/- sometimes more.**Buying Pattern :** Blenders and packeteers were active. Internal and exporters were selective.**ORTH DUST**

<b>Demand :</b>	} Not quotable
<b>Market :</b>	
<b>Buying Pattern :</b>	

**Source: Paramount Tea Marketing (SI) Private Limited****08<sup>th</sup> March, 2023****- /tp.**



## **INTERNATIONAL TEA NEWS**

### **ISSUES & TRENDS**

# **State of the U.S. Tea Industry: a Review of 2022 and a Look Forward into 2023**

By Peter Goggi Mar 1, 2023

[State of the industry](#) [tea industry](#) [U.S. Tea Association](#) [tea trends](#)



2022 was a year in which COVID-19 finally began to take a backseat. Consumers emerged from their homes and the economy began to open more fully. Unfortunately, inflation – driven by supply chain costs, shipment imbalances, low unemployment and government spending – reached levels not seen for 40 years, averaging eight percent for 2022 (1981 was 10.33 percent). This level of inflation certainly impacted cost of goods and apparent growth rates in dollar terms.

Overall, the tea market grew in 2022 in both imports and dollars. In reviewing tea import figures for the year, total tea imports were 4.3 percent up in volume terms. Black tea imports exceeded 2021 by more than 5.1 percent with green tea softening slightly by less than two percent year-on-year. Surprisingly, 2022 organic imports were down by about 40 percent vs. 2021.

As we have been reporting over the last few years, consumers continued to turn to tea during COVID. Further, subsequent qualitative work indicated the at-home consumption remained high, while the likelihood for consumers to consume tea out of home declined. The hybrid way of working, with many workers continuing to split time between the office and home, will help sustain gains in consumption trends.

Tea has demonstrated it is capable of acting as an enabler for de-stressing, as well providing a feeling of “centeredness,” particularly for Gen Zs and Millennials. Not only did they increase their consumption, but research after COVID indicated that about 70 percent would continue to drink tea at the higher rate. This is great news and highlights the importance of tracking demographic behavior as both a marketing tool and to provide insight for product development, brand and product messaging and optimizing communication pathways.

Further, consumers are looking for specific health and wellness benefits from their food and beverages, placing that above sustainability, according to [Tastewise's 2023 trend report](#). While health and wellness and international flavors have been trending in food and drink for years, this report shows preferences are evolving and consumers are zeroing in on specific niches that interest them.

These trends complement tea's strong position as a plant-based, healthful drink, consumed for its variety of benefits, rooted in its high flavonoid content. In fact, several new research papers were published in 2020 and 2021 illustrating tea's extraordinary ability to act as a booster of human immune systems, followed by an important study in 2022 highlighting tea's high content of a class of key bio-actives, flavan-3-ols.

Consumers clearly discovered their own personal "tea ceremonies" during COVID, whether using a family recipe or a "mom's" kettle or a certain mug, and continue to embrace these "for myself" moments as a way to cope with the stress of the work day. And we know that the process of making tea, in and of itself, calms and relaxes. This coupled with tea's natural ability to induce a "relaxed but ready" mental state, heightens the feeling of serenity and internal quiet – mental states that were at a premium during this past year.

Literally thousands of published scientific journals continue to document tea's ability to positively impact human health. Whether potentially interfering with cancer mechanisms, enhancing heart health, slowing neurological decline, positively impacting weight management and preventing diabetes, or improving bone health and lastly boosting immune functionality, tea is good for you and tastes great!

Inventory imbalances continued in 2022. The Federal Maritime Commission (FMC) and Biden administration did step in and helped to defuse the unconscionable levels to which ocean freight companies raised their rates. As a reminder, some export regions, particularly Asia, saw the cost of a FEU (40 foot equivalent unit) going from US\$3,000 to US\$17,000. The Tea Association of the U.S.A.'s participation in a Freight Coalition consortium assisted us in helping to apply pressure and provide notice to key players in the government and maritime bureaucracies to act on consumers behalf.

Tariffs on tea from China continued as a holdover from President Trump's administration and continued under President Biden. We continue to advocate for removal of this tariff on Chinese tea, although to date, there seems to be no interest in removing them by this Administration.

Our work in Washington D.C. continued with the Tea Association communicating its positions on behalf of the industry in the areas of tariffs, labeling (country of origin and nutritional), dietary guidelines, healthy definition for tea and port congestion issues. Support and defense of the tea industry continues to be our primary our mission.

In all efforts, the Tea Association of the U.S.A. attempts to ensure cohesive messaging across borders by liaising with the Tea & Herbal Association of Canada and the UK Tea & Infusions Association. Of late, this includes addressing such topics as heavy metals; HTIS classifications and modifications; Prop 65 actions; sustainability issues and nano-plastics in tea bags. Sustainability continues to be an important driver for consumers, customers and industry supply chains.

### **Foodservice Improves; Specialty Tea Continues Growth; RTD Is Recovering Its Shares; Traditional/Grocery Works to Hold on to Previous Gains**

We all know how devastated the foodservice market was during COVID. Thankfully, stay-at-home orders, prohibition of indoor dining and social distancing requirements that kept people far away from their favorite restaurants, deli's and convenience stores are generally no longer. Fortunately, this sector began to come back in 2021 as vaccination rates increased, domestic travel resumed and federal and state governments eased restrictions, and continued in 2022.

As one key foodservice operator reported...

“We witnessed the food service bouncing back post-COVID, despite the huge increases in sea freight. As you are aware, the unprecedented freight costs that we witnessed in the past from origins such as China, Vietnam, Argentina, who are the main supply sources for the food service iced tea, did not in any way dampen the appetite for iced tea consumption.

“Our customers were willing to pay these costs and keep their customers happy. For example the sea freight from China to Long Beach/L.A. was approximately US\$2,000 prior to COVID. This peaked to US\$ 20,000 per FCL last season. From paying a mere 10 USC /kg we ended up paying a dollar on a kilo for low priced teas. The demand was further driven by relatively lean inventories with packers and end customers.

“Overall, we saw demand ultimately approaching levels not seen since the outbreak of COVID. Furthermore, food service restaurants that served quality food products (we saw long lineups at these outlets), where premium quality tea was served, gained market share. A most welcome outcome from our perspective compared to others, who are driving prices down and compromising on quality.”

Fortunately, some segments of the market won't change its upward trajectories! Specialty tea continues its rise in both pounds and dollars. Led by Millennials and Gen Zs, consumers across all demographics continued to consume tea for its variety of origins, types and flavors. Tea generates interest in terroirs, flavors, origins, bush to brand and sustainability, particularly in these high quality, higher priced teas. Artisanal teas remain of high interest and continue to grow at a fast clip. Consumers are becoming more engaged with their teas and want to learn more and more about where their teas come from; how they are harvested and manufactured; how the product supports the livelihoods of those making it; and, how friendly the product is to the environment. Specialty tea buyers, in particular, seek to engage with their products of choice.

Ready-to-drink (RTD) tea category continued its dollar growth, but volume was a challenge in 2022. Estimates are that 2022 exhibited circa seven to eight percent growth in dollars, but a decline of some and less than one percent gallonage. Challenges for RTD remain clear: Competition across other categories, e.g., health, refreshment and hydration, will challenge this category's ability to innovate and compete in order to continue volume and dollar growth. We continue to see separation and segmentation between premium, high quality RTDs and the value, carbonated soft drink (CSD) replacement segment. Innovation, flavor variety and healthful positioning will continue to be legs of growth.

Traditional tea (grocery/DMM [Drug/Mass Merchandisers]) fought hard to maintain the gains from 2020 and 2021. Communication to consumers through traditional media and social media was at a much higher level than previous years, and that speaks to the improved bottom lines and need for re-investment in brands.

As an industry, we are challenged to continue educating the consumer in the difference between true teas (*Camellia sinensis*) from herbals and other botanicals, neither of which have the same level of AOX or overall healthful qualities. Our messaging across all forms of tea through our social media initiatives highlight the benefits of “true tea” and should be amplified by all tea companies.

Internationally, producer countries of origin continue to protect and advertise their teas through geographic designations and by trademarking their unique terroirs. The adoption of wine-like appellation marketing and protection serves to differentiate one region from another as well as proactively communicating to the consumer the benefits of geography, elevation and climate as key ingredients to tea quality.

## Market Growth

Each year, we try to estimate the size and growth of the various tea markets. We derive many of these estimates qualitatively with some quantitative validation. Further, we note that the consumer price index (CPI) for food inflation in 2022 was 9.9 percent and an incredible challenge for U.S. consumers. Please use these figures as a guide.

	1990	2019	2021	2022 Est.
<b>Traditional Market (Supermarket, Drug and Mass Merchandisers)</b>	\$0.87 Billion	\$2.26 Billion	\$2.3 Billion	\$2.4 Billion
<b>R-T-D</b>	0.20 "	6.14 "	6.3 "	6.7 "
<b>Foodservice</b>	0.50 "	1.59 "	.96 "	1.1 "
<b>Specialty Segment</b>	0.27 "	2.68 "	3.3 "	3.4 "
<b>Total Sales</b>	<b>\$1.84 Billion</b>	<b>12.67 Billion</b>	<b>12.86 Billion</b>	<b>13.6 Billion</b>

## 2023 PREDICTIONS

Tea will continue to grow across all sectors, led by specialty and foodservice. Whole leaf teas/specialty tea will continue its penetration with consumers in this segment. Individual terroirs and countries will continue to attract interest.

### The “Power of Tea” Continues to Shine

Cardiovascular health, immune boosting properties and improvement of mood are the most popular reasons as to why people drink tea according to a qualitative survey by Seton Hall University.

Black tea continues to emerge from under the shadow of green tea’s health aura with ownable health properties – cardiovascular health, physical health, immune system boost, bio-active compound, satisfy thirst/hunger, pick-me-up.

Green tea continues to drive consumer interest, specifically: emotional/mental health, immune system boost, consume when feeling ill, stress relief.

Foodservice will continue its return to pre-pandemic levels.

Consumers will continue to enjoy tea and the new levels of tea consumption will be maintained, helping Grocery/DMM sales to resist declines vs. pandemic gains.

RTD will continue to grow.

Specialty continues its growth in both dollars and volumes, as unique offerings from tea growing “appellations” become more widely known.

## **THE TEA MARKET WILL CONTINUE TO FACE THE FOLLOWING CHALLENGES IN 2023:**

### **1. Sustainability**

The Tea Association of the U.S.A., sees sustainability as a three-pronged strategy – ecological sustainability, social sustainability and economic sustainability.

The tea industry has demonstrated a strong commitment to ecological sustainability and continues on its journey for a sustainable supply chain.

Concurrently, our industry has successfully embarked on a path of making our product even more sustainable. I venture to say that tea is one of the most ecologically sustainable agricultural products in the world. However, this path comes with its own toll, and the sad fact is that the cost of sustainability efforts almost always fall on the shoulders of the producer, the segment that can least afford it. Further, the promise of increased margins and consumers willing to spend more money on sustainably sourced products have been empty, at best. And all our efforts may be blunted by climate change.

Economic sustainability continues to be a challenge. Producers and smallholders are generally not making money. The realized prices of tea have not moved since the 1950s, when taking inflation into account. This marginalizes workers at origin and drives the industry to an unsustainable economic model, impacting the ability for tea workers to maintain the social fabric in the towns and villages where they live. Meanwhile, large retailers advertise and speak about sustainability, yet do nothing about allowing the price of the product in their stores to rise, disallowing the opportunity for the producers to realize a reasonable margin. The time is come to put pressure on retailers to ensure that EVERY player in the supply chain receives fair value for the work they do.

It is a cultural imperative that parents want a better life for their children, and what underpins the ability to make that happen is for there to be steady and fair wage growth for the family to thrive. However, throughout the tea industry we've seen a flight from tea estates to the cities by the most recent generations. Clearly, lack of job growth and the ability to provide a better life are driving reasons. Having said that, I continue to believe that the biggest contributor to this migration is the cellphone. This device provides virtually anyone in the world access to the globe. Whether learning a language, discovering different cultures and lifestyles or, more importantly, being able to imagine greater potential for oneself, the mobile provides a window on alternatives to current realities.

This migration from rural to urban highlights another consequence of low prices... the lack of available labor. We've already seen the results of this in Japan, where the average age of tea producing villages has gone from the mid-50s to the low 70s. And 80 percent of towns and villages have lost people. Analogous movements are being witnessed in virtually all traditional tea growing areas.

### **2. Supply and Demand**

The global picture is not pretty, as production went from 4,299 million kgs in 2011 to 6,455 M kgs in 2021 an increase of approximately 50 percent. Meanwhile, population in 2011 was seven billion. In 2021 it is estimated to be 7.9 billion, only a 12.8 percent increase (statistics courtesy of the International Tea Committee). Supply continues to outstrip demand and history has proven that if tea prices rise, the producers will manufacture more tea to take advantage of the higher prices. Certain origins continue to expand tea plantings, completely ignoring the impact on tea surplus. Further, producers, by skipping pruning cycles or plucking a little further down on the bush, have an almost immediate ability to turn on a volume tap of 20 percent more tea. The result of higher availability and poorer quality: lower prices. Escaping the clutches of this boom/bust cycle will be one of the keys to the long-term survival of the business. There are only two solutions: drive consumption or reduce production. Note that these solutions are not exclusive and should be done in tandem.

The unremunerative pricing of tea undercuts all sustainability efforts and creates an unsustainable future for the industry.

### **3. Free and Unencumbered Trade**

International trade is becoming much more of a challenge to the entire supply chain. We have all seen the impact of the global shipping supply chain, the piling up of containers at the ports, increased freight rates, lack of trucks and truck drivers and poorly positioned empty containers at origin. We have also seen ocean carriers and ports use this disruption to their favor and increase costs to an almost unconscionable level.

Further, we continue to see barriers to trade through: lack of harmonization of crop chemical tolerances; political vs. science-based regulatory decisions (e.g., glyphosate); country of origin labeling; and tariffs.

Free trade is a basic building block that we must have in order to fully return to economic growth and stability. Our industry must work together to properly address these issues.

### **4. The Goodness of Tea**

The number of positive attributes regarding tea continues to be buttressed by research and demonstrates why this great product should be consumed by EVERYONE! More research continues to be published highlighting the power of tea.

The U.S. dietary guidelines are due for updating and the Tea Association of the U.S.A. will be submitting comments in an effort to include tea in this important government publication and recommendation.

## **WHAT THE INDUSTRY NEEDS TO DO**

So, where are we? Too much tea being produced; prices too low; we are leaders in ecological sustainability, but social and economic legs are struggling; retailers continue to push down pricing; costs are being pushed up the supply chain.

This is not about painting an ugly picture. It is about realistic assessment of our challenges, which can then help frame our actions to mitigate the problems.

As an industry, we need to continue to meet in multiple forums to discuss honestly and openly our excess supply. The Food and Agriculture Organization, tea associations, tea boards, tea producers and governments need to collaborate and create pathways for crop/surplus reduction, while striving to protect the lifeblood of tea producers, and, in particular, smallholders.

Efforts must continue to drive tea consumption. Tea and Health is THE platform from which powerful messaging can be developed to incent and motivate consumers to drink tea. In April of 2022, the USTA hosted the 6th International Scientific Symposium on Tea & Human Health. This virtual meeting highlighted the power of tea, and most importantly, the outputs of that meeting have driven consumer engagement to the tune of more than five billion impressions through both conventional and social media. If we all help to drive this message, think of the potential influence we could have on driving tea consumption! Additionally, bio-actives research points to more positives in tea's positive impact on human health.

Costs of sustainability efforts must be shared throughout the supply chain, not borne just by producers. Is there a mechanism currently? No... but this has to be addressed. If consumers want sustainable products, they must pay. If retailers want to sell sustainable products, they need adjust their margins. If packers want to pack sustainable products, they must pay OR they must support sustainability programs through pricing mechanisms.

Leverage existing associations and councils as representatives and speakers for the industry. I continue to be shocked at how easily some companies withdraw from associations based solely on cost, yet, it is these very groups that most effectively represent the industry and protect brands; interpret governmental regulations and provide a single point of contact for both internal and external communication. My thanks go to Tea & Herbal Association of Canada and UK Tea & Infusions Association, who work tirelessly with us on joint efforts to represent the industry.

I remain firmly optimistic going forward. Tea has so much to offer to its consumers. Tea's supply chain is resilient; producers generally want to produce good product and consumers want to receive good value.

Peter F. Goggi is president of the [Tea Association of the U.S.A, Inc.](#), Tea Council of the USA and Specialty Tea Institute. Goggi began his career at Unilever and spent more than 30 years working with Lipton Tea as part of Royal Estates Tea Co. He was the first American-born tea taster in the history of T.J. Lipton/Unilever and was featured on The History Channel's Modern Marvels. His career at Unilever included research, planning, manufacturing and procurement, and his final position was director of commodities procurement, sourcing over \$1.3 billion of raw materials for all operating companies in the Americas. At the Tea Association, goggi has implemented and updated their strategic plans; has continued to drive the tea and health message of the Tea Council; and helped to guide the tea industry on its path to growth. Goggi also serves as the U.S. representative on FAO's International Governmental Group for Tea, and he continues to drive communication and understanding of the multiple issues faced by the tea industry – locally, regionally and internationally. Founded in 1899, the Tea Association of the USA, Inc. was formed to promote and protect the interests of the tea trade in the United States and is the recognized independent authority on Tea. To learn more, visit [TeaUSA.org](#).

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