

Excessive heat wave cools tea consumption in western India

By [Sutanuka Ghosal](#), ET Bureau | 19 Jun, 2015, 05.45AM IST

KOLKATA: Excessive heat in May and early June has hit tea consumption in western India, according to the Federation of [All India Tea Traders Association](#).

Association chairman [Harendra Shah](#), who is also director of Mumbai-based packet tea company [Girnar Group](#), said there has been a fall in consumption in the region.

Parag Desai, executive director of Wagh Bakri, the country's third biggest packet tea company, said, "Generally, movement of tea slows down a bit during the summer months, but this time the heat has been excessive, which has impacted consumption more. In places like Marathwada and Vidarbha in Maharashtra, consumption has dropped because of the dryness in the weather."

Shah and Desai could not quantify the drop in consumption as official figures are yet to be released.

Meanwhile, Wagh Bakri and Girnar have said that they are hopeful of demand increasing with the onset of monsoon in the region. They have also indicated that tea prices may firm up in the coming months by about 10% due to higher [service tax](#), hike in crude oil prices and increase in packaging cost.

According to auction data, prices of the common varieties like dust and CTC have fallen at the auctions, prompting packet tea players to lift good volumes. CTC tea, which was available for Rs 162 per kg this time last year is now fetching Rs 151 per kg. Similarly, dust tea is commanding a price of Rs 157.57 per kg as compared with Rs 163 per kg in the year-ago period. Only orthodox tea, which is generally shipped to [Iran](#) is commanding a higher price at Rs 233 per kg compared with Rs 179 per kg last year.

"Though tea is fetching a lower price at the auctions, it will remain firm because of increased service tax, crude oil price hike and increasing packaging cost," said Shah of Girnar Group.

He, however, added that though there has been a fall in consumption, domestic consumption in the coming months will remain robust. In a bid to promote the beverage, the [Indian Tea Association](#) has decided to organise workshops with chefs of leading hotels and restaurants to promote tea mocktails.



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