

CONTEMPORARY

# TEA TIME

Vol. XXIII No. 2 • June - August 2014 • Rs. 80 • US\$ 7

TEA JOURNAL WITH THE LARGEST READERSHIP | 25th YEAR OF PUBLICATION



## TEA TIME in BEIJING







We salute  
our  
Prime Minister  
who once  
belonged  
to the  
Tea Fraternity





Errol O' Brien

# TEA QUIZZY

## QUESTIONS

- 1 This joke was doing the rounds during the FIFA World Cup: What is the difference between a tea bag and the England football team?
- 2 Name the Assam garden that recently secured a record price of Rs. 3001/- per kg. for an Orthodox tea in the auctions.
- 3 Why was this advertisement put out in the London Times about 100 years ago: ' You can do India a small service in return and gain by it. Use Pure Indian Tea at home , insist on getting Pure Indian Tea in public tea rooms and restaurants'?
- 4 Who coined the term: ' Direct from the tea garden to the teapot'?
- 5 Which word derives its name from a Greek term for a drink made from pearl barley and now means any herbal infusion other than that of the leaves of the tea bush *Camellia Sinensis*?
- 6 Salted pink tea with almonds eaten with *Katlam* and *Kulcha* topped with butter made from fresh milk. What is this called in India?
- 7 There are more than one hundred rules of the traditional Japanese tea ceremony formalised in print in the 16th century and still practised today. What are they meant to offer?
- 8 The Ya'an tea of Sichuan , China, costs almost \$150 a cup. How is the bush fertilised?
- 9 What in tea parlance is a Double Half in Kolkata?
- 10 During the British Raj who were called Bunwallahs or Chaiwallahas?

## Answers

- 1) The tea bag stays in a cup longer • 2) Mokalbari East • 3) The readers were urged to thank India for providing troops and treasure to Britain. Over 14 million Indian servicemen volunteered for service in World War 1 out of which over one million were reported killed, wounded or missing • 4) Sir Thomas Lipton • 5) Tisane • 6) *Sheer chai* • 7) Serenity and reflectiveness • 8) The only manure used is the dung of pandas • 9) One normal cup of tea poured into two cups • 10) Teetotallers





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# Readers Write



Dear Sir,

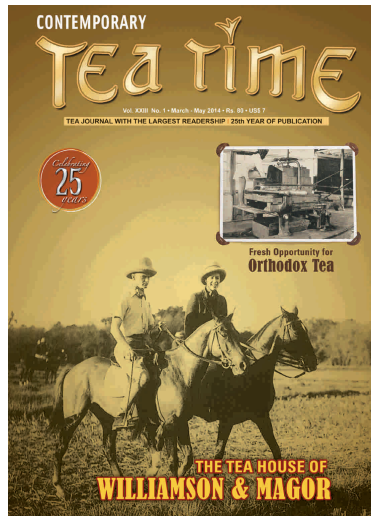
I was delighted to read the March - May 2014 issue of *Contemporary Tea Time*. All the articles were very informative and useful. The editing of the articles was thorough which made them comprehensive and appropriate.

It was an enjoyable read.

Thanking you

Yours sincerely

Anish Bhansali  
Kolkata



Dear Sir,

The article *Tea Industry of Tripura* by S Sannigrahi, published in *Contemporary Tea Time* March - May 2014 issue, is informative and interesting. It was heartening to read about the achievements of the Durgabari Tea Cooperative Society against various odds.

Thanking you

Yours sincerely

A Pant  
Bangalore



Dear Sir,

*Tea Stops*, published in *Contemporary Tea Time* March - May 2014 issue made pleasant reading. The fervour that the electronic media is able to create today over various issues including the elections, can literally be termed 'storms in tea cups'. The nation's favourite beverage - tea - serves well as the fuel that keeps these interactions warm!

Thanking you

Yours sincerely

Shobha Panigrahi  
Cuttack



# Lessons from CHINA TEA

**C**hina has shown a way forward by innovation and product differentiations. Today it is the largest exporter of tea and the tongue twisting names of the varieties that it produces have become familiar around the world. Picturesque and descriptive names like Keemum from the Anhui Province, a 'gonfu' tea – which means that it is made with disciplined skill to produce the thin tight strips of leaf without breaking the leaves – or Chun Mee – which literally means 'precious eyebrows' (the shape of the leaves gives this tea its name) – surely add romance to the notion of drinking such a brew.

In each province there is a uniqueness to the method of manufacture and hence character, packaging and mode of consumption. Ranging from Lapsang Souchong – perhaps the most famous China tea – the best coming from the hills in north Fujian. Other provinces have their own specialties. Yunnan, black tea from south west of China for instance and others known as Keemun Mao Feng (Hair Point) and Szechwan Imperial.

Green teas are produced in Pingshui in Zhejiang Province with names such as gunpowder and grades ranging from tiny 'pinhead' gunpowder to larger 'peahead' gunpowder. Oolong from the Chua's Fujian province and Taiwan is yet another variety. The greenish rolled Oolongs give a light, floral liquor reminiscent of lily of the valley, narcissus, orchid or hyacinth. The dark brown leafed Oolongs yield liquors with deeper, earthier flavours and lingering hints of peach and apricot. White tea such as the rare Pai Mu Tan Imperial, is made from very small buds and a few baby leaves that are picked in the early spring. Once they have been dried, they look like lots of tiny white blossoms with a few darker leaves surrounding the white bud – the reason for it's name, 'White Peony'.

In short there are varieties galore. The famous Earl Grey – traditionally, teas treated with natural oils of the citrus Bergamot fruit, which gives the tea its perfumed aroma and flavour – is said to have originally been blended for the second Earl Grey by a Mandarin after Britain had completed a successful diplomatic mission to China.

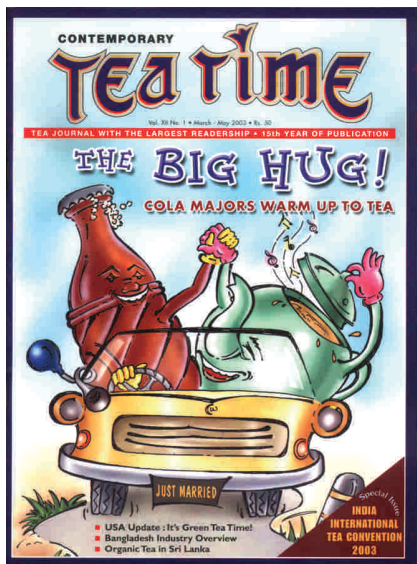
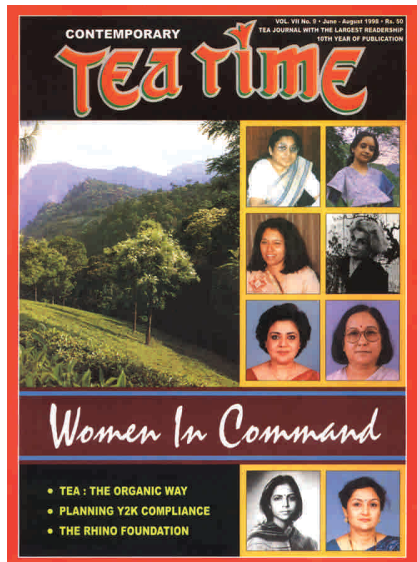
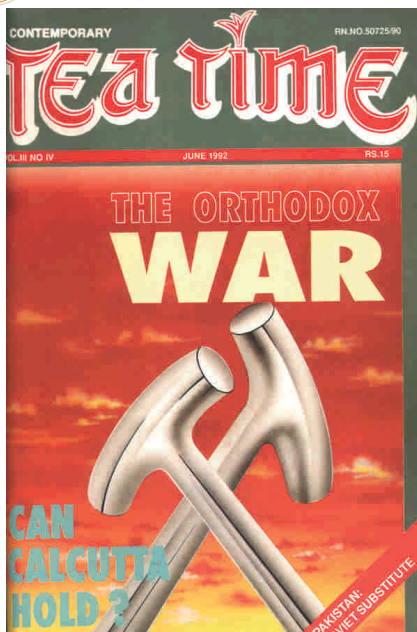
Can we too innovate and value add to transform our commodity to a product?



A Nandkeolyar







# Advertise in Contemporary Tea Time

## The Voice of The Tea Industry

Contemporary Tea Time, a magazine of the tea industry published by Contemporary Brokers Pvt. Ltd. has completed 25 years of its existence. It has through the years evolved into a voice of the industry, reflecting the views, opinions, market trends and happenings of the tea scenario in India and abroad.

As the only magazine of its kind in India, Contemporary Tea Time offers the advertiser unmatched value for money. As a magazine which reaches the highest echelons of the industry Contemporary Tea Time is the ideal medium for advertising your product/service.

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- Full Page : Rs. 12,500 / US\$ 500
- Half Page : Rs. 7,500 / US\$ 350
- Centrespread : 25,000 / US\$ 900

#### Black and White

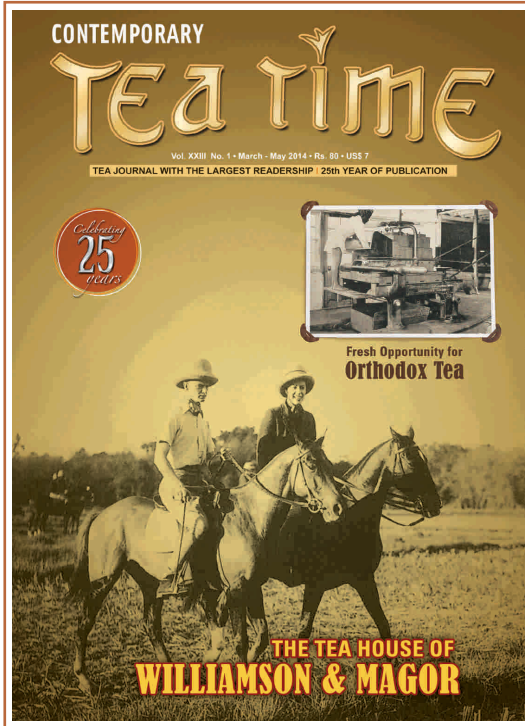
- Full Page : Rs. 10,000 / US\$ 375
- Half Page : RS, 5,000 / US\$ 250
- Doublespread : Rs. 15,000 / US\$ 500

#### TECHNICAL DETAILS

Frequency : Quarterly | Language : English | Material Required : Positive for Colour Advertisements | Art Work/Artpull/Positives : For B/W advertisements | Lead Time : 30 days prior to the date of issue | Bleed Advertisement : Must allow extra margin of 0.3 cm on all sides for trimming. B/W advertisements are not accepted in bleed size.

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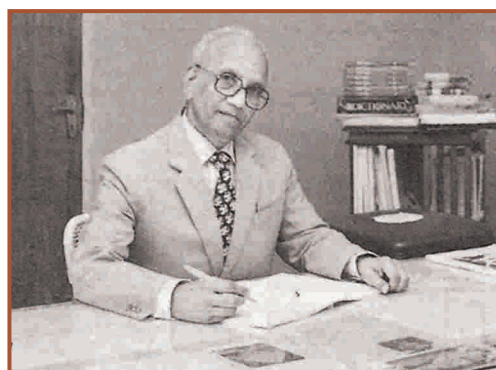




**N C KANKANI of Jayshree Tea speaks on the Group's outlook**

**I**nnovation has stamped success on Sholayar and Kallayar, the principal estates of Jay Shree Tea and Industries in Anamallai Hills. The Sholayar group with its average of over 3800 kg per ha tops all the estates in the region. The ranking has been retained by the group for 15 years in the region.

Kankani explains that the high level of productivity has been brought about by non-conventional methods and persistent efforts on product improvement.



B K Birla visits the best maintained house of a worker in Sholayar Tea Estate

In respect of marketing too ingenuity has not been any less. A telling illustration is how he captured the Kerala market in the fifties and he has held on to it since then. When EMS Namboodiripad formed the first elected communist government in that state there was euphoria all over Kerala. Everybody sported red. Kankani decided to put his tea in red pouch. The result was an all-time high in sales.

In the financial year that concluded on March 31, Jay Shree Tea and Industries through its all India operations had a turnover of Rs 196.16 crores and a net profit of over Rs 21.32 crore.

*Contemporary Tea Time September 1997*

# The **BIG FIGHT** TEA vs COLA

Experts join in —

Through the '60s, '70s and '80s, the consumption of tea in India rose steadily, whether by three percent or four percent annually. With the rising population, improving prosperity and progressive urbanisation, it was expected that the consumption would continue to rise at the same pace. Yet consumption patterns have belied expectations; aggressive marketing of other beverages, especially the colas, appears to have cut into tea's enormous market share. It is perhaps time now for the industry to widen its horizons and view the beverage landscape.

## Target Youth

**Nabakumar Das, Chairman Tea Board, India, gives his views**

Vending machines or iced tea fountains would have to be developed along the lines of those used by the colas...

## Future bleak for tea? Certainly not!

**Ramesh Chauhan**

Several soft drink majors are opting for bottled tea, which will raise consumption...

## The producer only sells his commodity

**E B Sethna**

A ready-to-drink product is the real answer, to compete with the colas...



People have to be made aware of tea's health benefits

**R S Jhawar**

The key is to show tea as trendy and smart...

The slide began two to three years ago

**D L Thapar**

Marketing of tea is expensive and value-related...

The image of tea has to be revamped

**A K Atal**

Why should only CTC teas be drunk in India and not Orthodox, Green tea, and so on? ...

*Contemporary Tea Time March 2001*





# STAR TREK

... on tea track began in early last century and still continues



**L**IPTON'S has always moved with the times. Beginning with 'The General on Horseback' in a 1922 calendar that symbolised the supremacy of the British Raj and therefore the choice of the people on top, the brand then moved on to toppers in films.

Reigning romantic queen of many Raj Kapoor films released in mid 20th century, Nargis was famous for her poise and elegance. The Lipton's advertisement of the 1950s (above extreme left) evokes memories of her burning romantic sequences in Aan, Barsaat, Shree 420 and her path-breaking role in Mother India.

TEA has gradually taken reins of the Indian psyche over the last 150 years. And while this drink has steadily seeped into our socio-cultural practices, marketing of the refreshing beverage has taken new turns. Celebrities have often been used by tea companies to mark their products' USP.

Tata Tea has been using stars from films and the sports world to promote their brands for almost two decades. Be it the most-loved villain 'Gabbar' Amjad Khan, the lily-lovely Juhi Chawla, the Payoli Express P T Usha or the current teenage tennis sensation Sania Mirza, the company has always felt the pulse of the masses and chosen its celebrity models. Anu Agarwal in the "Anu tazgi de" ad or Mohanlal, the popular south Indian actor in the Kannan Devan tea ads, have thus been instant hits.

'Fastest from the

Discover *Black tea*  
so delicious, you'll never add milk!

Brooke Bond  
**Taj Mahal**  
TEA BAGS

Discover the best black tea experience ever! Savour the unique aromatic flavour of Brooke Bond Taj Mahal "Darjeeling & Assam" and "Nilgiris & Assam" teas, best had back. (But we wouldn't mind if you added milk!) Try it the way you like it... light, strong, regular or perhaps toss in some mint, lemon or ginger. The unique taste of our select Brooke Bond Taj Mahal blends will leave you spellbound. Indeed that's why Ustad Zakir Hussain calls a Brooke Bond Taj Mahal tea bag... one in a thousand.

Assam and Nilgiris

Assam and Darjeeling

Har ek Harasam mein ek

bush to the cart' is the line Tata Tea likes to market. Beginning to market Kannan Devan with India's golden girl on the track - P T Usha in 1983 — the company now focuses on the darling of the tennis courts Sania Mirza, for its premium brand. The brand manager explains that this has happened with Tata Tea becoming more upmarket; the word 'premium' being used more significantly and the brand story focussing on hard work and achievers.

### AD GURU

Throughout his career Lipton remained a great believer in advertising. Once on a voyage to Sri Lanka, Lipton's ship ran aground somewhere in the Red Sea and some of the cargo had to be thrown overboard. Lipton, the incorrigible businessman, persuaded one of the engineers to cut him a stencil and while the other passengers were hurrying to the lifeboats, Lipton, never a man to lose an opportunity, was busy stenciling 'Drink Lipton Tea' on such of the cargo as was likely to float in the shallow water and be salvaged.



Brooke Bond chose tabla maestro and actor Zakir Hussain as the Face for their Taj Mahal tea. And they have continued with this celebrity model. As Zakir has evolved as a

more and more glamorous percussionist on stage and an occasional actor on screen, Taj Mahal tea, now belonging to Hindustan Lever Ltd., has turned into one of the most popular brands of tea in India. The Taj and Zakir are an exotic pair. They complement each other perfectly to bring the romance of India and Indian tea to the forefront.

Contemporary Tea  
Time December 2005



The world of tea lies unexplored in every tea bag Brooke Bond Taj Mahal tea bags invite you to discover tea in delicious new ways and flavours. Make your tea light, black, regular... toss in some lemon, mint or ginger among a thousand other things. There are our select fusion blends for that unmatched tea experience. Treat your senses to an exquisite fusion of flavours or choose to savour the aromatic flavour of our origin blends. The unique taste of our select Brooke Bond Taj Mahal blends will leave you spellbound. Indeed that's why Ustad Zakir Hussain calls a Brooke Bond Taj Mahal tea bag...one in a thousand.

**Discover**  
a thousand ways to great tasting tea!



**MANY WAYS**

 Hot & light	 Bold & regular
 With rose & lemon	 Tea & lemon

**MANY FLAVOURS & BLENDS**

 Cardamom & Bergamot	 Assam & Peppermint
 Assam & Peppermint	 Cardamom & Bergamot

Har ek Hazaron mein ek



Discover the best flavoured tea bag experience with Brooke Bond Taj Mahal tea bags. Treat your senses to an exquisite fusion of flavours - "Cardamom & Bergamot" and "Cardamom, Bergamot and Cinnamon". Try it the way you like it...light, strong, regular, black or even with milk! The unique taste of our select Brooke Bond Taj Mahal blends will leave you spellbound. Indeed that's why Ustad Zakir Hussain calls a Brooke Bond Taj Mahal tea bag...one in a thousand.

**Discover Spice**  
so nice, it's a pleasant surprise!



**MANY FLAVOURS & BLENDS**

 Cardamom, Bergamot & Cinnamon
 Cardamom & Bergamot

Har ek Hazaron mein ek







TEA FRILLS

**T**ea boasted some fine players and at one stage four expatriates — Peter Bullock of Kellyden, Gerry Eastmuire of Thowra, Peter Atkins of Amluckie and R S Kettle of Tarajuli (Borjuli) were regulars in the Assam Ranji Trophy team. Bullock captained the state team more than once and Kettle's record of a century, scored as ninth man, remains a feat in the annals of Assam's cricketing history.

# CRICKET

Tea boasted some fine players,  
recounts Ali N Zaman

Among Indian planters in the honour roll is Topon Barua, Assam Company/Williamson Magor, selected in 1958 for the East Zone team to play the West Indies. Topon was also a regular in the Assam team. Another talented player who represented Assam was Venky Naidu of Tata Tea (James Finlay).

Cricket was the game where a budding planter proving his mettle progressed well in the company, especially when Superintendents and Visiting Agents took a keen interest and encouraged the game. Inter company rivalry led to regular fixtures and to this day the VA of Williamson Magor — John Morice, challenging the Superintendent of Jorehaut Tea Company — Bath Brown, (better known as ghusal), at cricket, is remembered when the Morice Memorial Trophy is played.

In the cold weather a cricketer could be off for long weekends playing for the club, zone or company. A player would be picked for games in Darjeeling, Dooars or Calcutta. And the trip being more than an expense-paid holiday with travel by air, in chartered Dakotas that literally lifted the players from their doorsteps, planters made the effort to play. However, regardless of an individual's interest in the game, one turned up to participate in any match when asked to do so. The object was to relax and enjoy the camaraderie.

Hospitality was always at its best, especially at the bar. The usual strategy of the host team was win the toss and bat, pile up a good score pre lunch. At lunch ensure that the opposition were provided with plenty of beer, pink gins and a large curry lunch and in no shape to see the ball well in the afternoon.

There is the incident of a player, aroused by the spirits, jumping into the Brahmaputra and surviving to play on till retirement!

The captain of a CTTA team, touring Assam, broke a leg, which had to be plastered. When the time came up for speeches the Assam leader mentioned, " A lot of drinking takes place at cricket meets but this is the first time we see a Captain visibly plastered."

*Contemporary Tea Time December 2005*



# Guarding Puritea

Darjeeling tea is registered as a Geographical Indication, observes ANINDITA RAY

**T**he total produce of Darjeeling tea is 11.52 mkg (2003) from an area of 18,109 hectare. Compared to the total Indian tea production of 857.05 mkg (2003), Darjeeling is a minor player. Yet, as the only truly export oriented tea product/brand that India has, it is often referred to as the flagship brand of all Indian teas by virtue of its distinctive aroma, flavour and international reputation built over the years.

Darjeeling tea is sought to be protected to

- ❖ prevent misuse of the word "Darjeeling" for tea sold world-wide
- ❖ deliver the correct product to the consumer
- ❖ enable the commercial benefit of the equity of the brand to reach the Indian industry and have an impact on the health of the industry
- ❖ achieve international status in terms of brand equity and governance/administration

the TRIPs mandate, protection in the place of origin is a prior requirement to seeking protection elsewhere. The Tea Board obtained this "home protection" by registering a Darjeeling logo and also the word "Darjeeling" as a Certification Trade Mark under the Indian Trade and Merchandise Marks Act, 1958 and more significantly, when Darjeeling was registered as the first Geographical Indication in India under the Geographical Indications (Registration and Protection) Act, 1999.

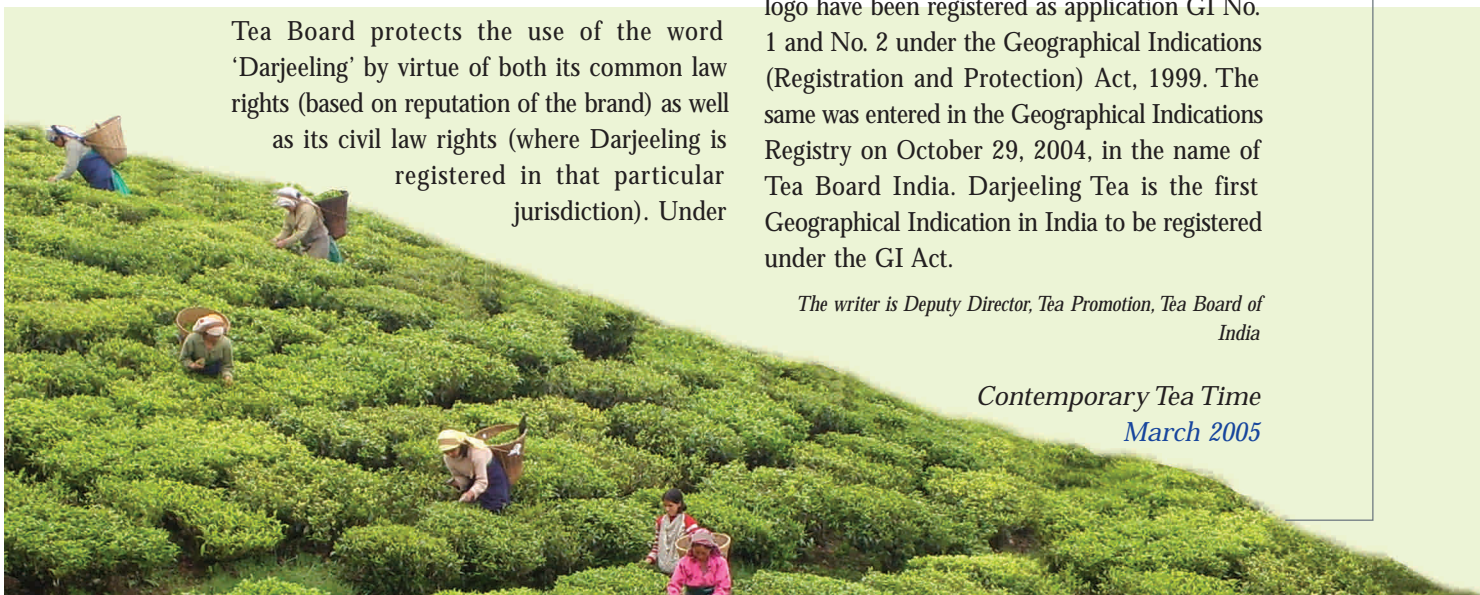
Unlike other Geographical Indications like Scotch Whisky and Champagne which are protected by the industry, in the case of Darjeeling tea, Ministry of Commerce, Government of India and Tea Board have stepped forward in taking a proactive role in the protection process in consultation with the largest Darjeeling Producers body, the Darjeeling Planters Association who are also actively involved. Cases of infringement of the Darjeeling mark are reported to the Tea Board or the Darjeeling Planters Association.

Darjeeling (the word mark) and the Darjeeling logo have been registered as application GI No. 1 and No. 2 under the Geographical Indications (Registration and Protection) Act, 1999. The same was entered in the Geographical Indications Registry on October 29, 2004, in the name of Tea Board India. Darjeeling Tea is the first Geographical Indication in India to be registered under the GI Act.

*The writer is Deputy Director, Tea Promotion, Tea Board of India*

*Contemporary Tea Time  
March 2005*

Tea Board protects the use of the word 'Darjeeling' by virtue of both its common law rights (based on reputation of the brand) as well as its civil law rights (where Darjeeling is registered in that particular jurisdiction). Under








# Snippets of NOSTALGIA





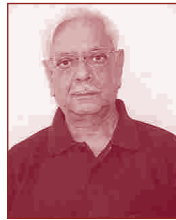
## Looking back at the Raj days

Those were the days of the great divide in the 'tea community'. There existed the great 'agency house' gardens and what was termed politely as the 'proprietary' or Indian-owned gardens.

My memory goes back to as far as 1937. We lived halfway up the hill to Darjeeling and my father administered our estates in the Terai from there. One day as we came down the hill following another car in our A model Ford, a Royal Bengal tiger literally ran alongside as we passed the then very dense Sukna forest. The tiger gave up the chase as we approached Sukna station. The car in front stopped and the *sahib* (manager of a tea estate) came out and quipped, addressing my father – "Even the tigers know who to chase – the natives, not us"!

It was only post-Independence or near about, that the 'proprietary estates' were made members of the Indian Tea Association. Our estate in the Terai was among the first proprietary companies to become a member of the Terai Planters' Association (now the Terai Branch Indian Tea Association). Some years later, one of our managers was its first Indian chairman. He contested an election against an expatriate manager of one of the great tea agency houses and won! I remember being summoned by the chairman of the ITA to his office in the Bengal Chamber of Commerce and being told to withdraw our manager's nomination, which, of

course, I refused to do. The sterling qualities of being a gracious loser however, were amply demonstrated when my wife and I were invited to a dinner hosted by the same ITA chairman at his residence and when we were introduced to other 'high-and-mighties' of the industry.



Amitabha Palchoudhuri

Tea was an utterly feudal industry. I had recently got married and had taken my newly-wedded wife up to the estates for the first time. The morning after, we were given a reception and taken around in a procession to all the labour lines. The air was rent with slogans of "*Malik Malikani zindabad*"!

Our estates had to construct a four-mile irrigation channel through the forest to get sufficient water from a perennial stream. Permission was granted to traverse the forest land on humanitarian grounds that the estates wanted to provide easy access to drinking water for the animals! On one of our visits to the construction site, our manager literally trampled on the tail of a tiger sleeping peacefully with its head and body hidden between two large boulders. Our manager was a plump man but he must have had to run a good 50 yards to the jeep, at Olympic timing!

*The writer was the Chairman & Director of Mohurgong & Gulma Tea Estates; Washabarie Tea Co. Pvt. Ltd.*

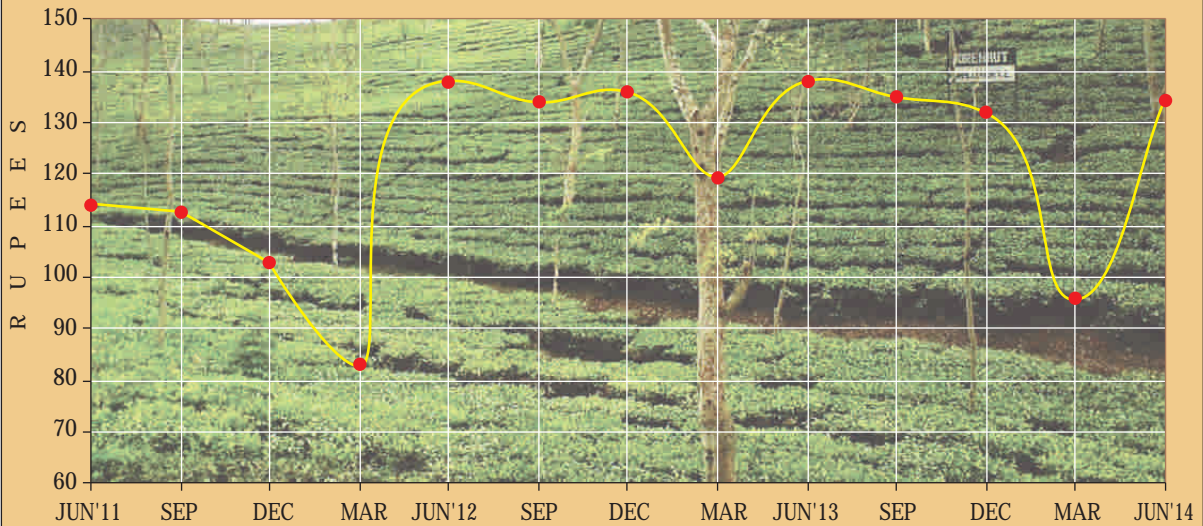
*Contemporary Tea Time June 2006*

# Contemporary Targett TEA TRENDS



Compiled by Soumen Bagchi

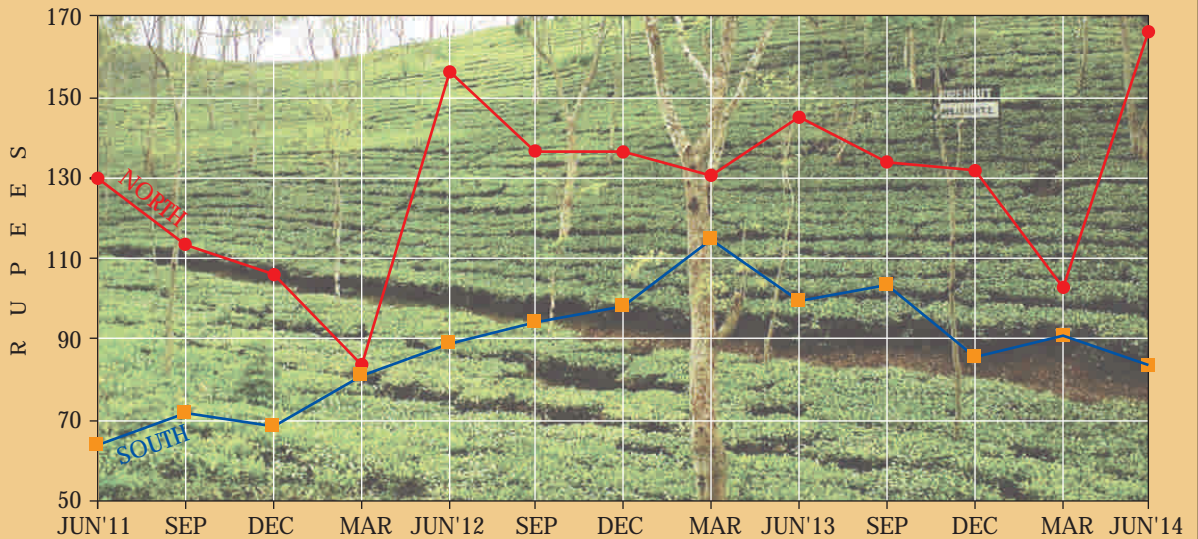
THREE YEAR AUCTION AVERAGE - ALL TEAS - ALL INDIA



Jun'11	Sep	Dec	Mar	Jun'12	Sep	Dec	Mar	Jun'13	Sep	Dec	Mar	Jun'14
114.24	112.99	103.33	83.07	138.26	134.37	136.15	119.59	138.36	135.14	132.23	95.63	134.62



THREE YEAR CTC/DUST AUCTION AVERAGE - NORTH AND SOUTH INDIA



	Jun'11	Sep	Dec	Mar	Jun'12	Sep	Dec	Mar	Jun'13	Sep	Dec	Mar	Jun'14
North	129.87	113.62	106.07	83.79	156.31	136.65	136.85	130.91	145.38	134.18	132.01	103.14	166.44
South	63.78	71.56	68.17	80.77	88.78	94.22	98.20	114.42	99.57	103.33	85.34	90.86	83.43

FINANCE & FIGURES

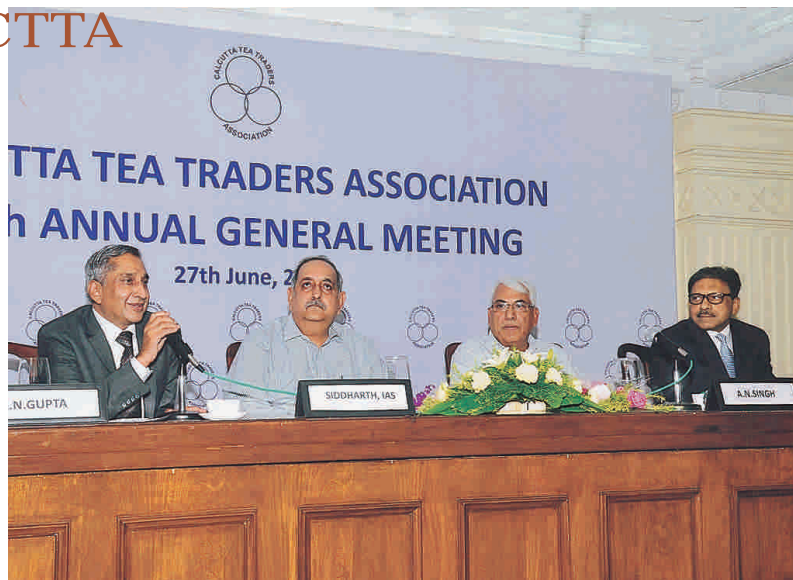




## 118th AGM of CTTA

The 118th Annual General Meeting of the Calcutta Tea Traders Association (CTTA) was held in Kolkata on June 27, 2014. Among the distinguished guests present at the occasion were Mr. Siddharth, Chairman, Tea Board of India, Arun Singh, Chairman, Indian Tea Association and others from the industry.

Speaking at the occasion, L N Gupta, Chairman CTTA, said that if the auction centres have to bear the running expenses for e-auctions, it would entail huge increase in membership subscription. He said it is unfair to the members who buy and sell large quantities in the auctions, to determine the recovery of running expenses on the basis of the quantity sold or purchased. He requested the Tea Board to continue to bear the running expenses for all centres for the smooth running of

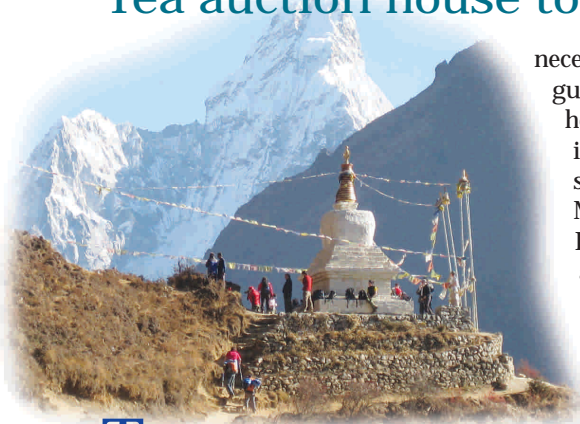


the e-auction system. The Chairman Tea Board agreed to the above point.

The Chairman CTTA said that the Food Safety and Standards Regulations (FSSAI) are evolving and it is necessary for sellers, brokers, buyers and warehouse-keepers to keep abreast of the developments.

He also requested the Chairman Tea Board to designate an officer in the Board as the Food Safety Officer to advise and guide the industry on the requirements of the Food Safety and Standards Act and Regulations and liaise with FSSAI on behalf of the tea trade and industry.

## Tea auction house to open in Jhapa, Nepal



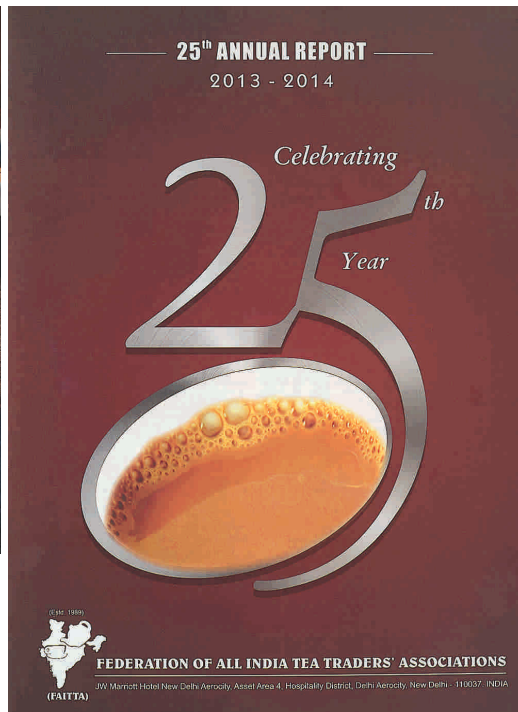
The tea auction house being built in Jhapa is expected to come online on Feb 1, said the National Tea and Coffee Development Board (NTCDB). The proposed auction house will allow Nepali tea factories to sell their products to the highest bidder, ensuring best possible rates. It will provide a venue for buyers and sellers to meet and negotiate prices, eliminating middlemen. It will be the first such auction house in Nepal.

The NTCDB has finalised the

necessary directives and working guideline to operate the auction house besides constructing the infrastructure. After finalisation they will be sent to the Ministry of Agricultural Development for its final approval, said NTCDB Executive Director Raman Prasad Pathak. The directive has planned to form a Tea Auction Committee consisting of tea producers. "The committee will select the products that will be allowed at the auction depending on their quality," said Pathak. "The committee will also fix the number of days for a re-auction if any product remains unsold." The committee will also set the deadline by when the teas at the auction house will have to be sold. The directive has also stated that certain facilities – yet to be decided – will be provided to tea producers who sell their products through the

auction house. The auction house will be designed after those operating in Kolkata and Siliguri in India. The government provided rupees three million to the Board last year to build the tea auction house. This fiscal year, financing has been increased to rupees eight million.

Nepal's tea business is expected to progress after the auction house is established as it will benefit tea producers with buyers being required to place bids. Currently, prices of Nepali teas are being fixed mostly by Indian importers. According to the Board, demand for Nepali tea has been swelling in recent times. The main export markets are India, the US, Korea, Japan and Europe. Nepal is also preparing to register a collective trademark of Nepali tea to boost exports. The largest tea producers in the country are the districts of Ilam, Jhapa, Panchthar, Dhankuta and Terhathum.



## 25th AGM of FAITTA

The 25th Annual General Meeting of the Federation of All India Tea Traders Association (FAITTA) was held in July

2014, in New Delhi. Addressing the meeting – well attended by members of the industry – Harendra Shah, Chairman FAITTA, said that the success of the Association can be attributed to its strong team members. He stressed on the need to work collectively to achieve common goals of all the stakeholders of the industry. He felt that the time had come for the producers to match prices with the quality of their teas. He added that to combat the vagaries of weather, there is need for sustainable tea production in which the industry must invest. The Chairman expressed hope that with the regime at the Centre, tea would be declared as the national drink of India.

Ramesh Chand Agarwal, Vice-Chairman FAITTA, expressed anxiety about certain issues like the El Nino effect with substantial crop shortage witnessed recently; resistance to price increase in the domestic market; burden of higher input cost for tea packers; high green tea prices etc. He said that traders and packers need to put united effort to safeguard the interests and health of the industry.

Chetan K Patel, Honorary Secretary, FAITTA pointed out that urban consumers are willing to spend more and are looking for convenience as well as indulgence options in tea. As a result, the contribution of tea bags black specialty to total tea sales is on the rise and has helped value growth of tea.

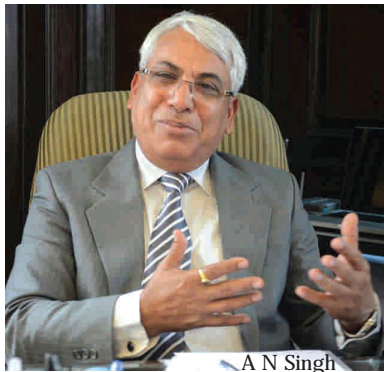
Ravinder Goel, Member, Executive Committee, FAITTA, said that despite being the unofficial national drink of the country and having remarkable achievements globally, the tea industry is experiencing a less than good phase. It is critical to take immediate steps to improve the current situation. This may involve formation of a Tea Promotion Council to ensure tax free tea trading and developing and promoting the latest technologies to improve quality and quantity.





## Image makeover for Indian Tea

The Indian tea industry is up for an image makeover: In their quest to make tea a life-style beverage for the youngsters, tea producers have decided to reach out to the new generation with the hot brew. The Indian Tea



A N Singh

Association (ITA), the top tea producers' body, along with the Tea Board of India, would take the social media and other digital routes to introduce tea to the GenY, besides arranging first-of-its-kind B2C (business to customers) tea carnivals across the country. ITA has planned to customise catchy 'tea' apps for cellphones and post

visuals / activities through various 'hot' live updates. An image consulting agency would also be roped in to handle this entire image-makeover process on behalf of ITA.

"Almost 60% of this country's population is young. If we can't make tea popular to them at this age, we'll set to lose a huge number of potential tea drinkers in the years to come. The tea consumption will take a huge beating and result in a big loss for the big and small tea producers as well as labourers," said A N Singh, Chairman, ITA.

The pilot campaign, developed on a 'Mobile-Carnival' model, would cover Tier I and II cities. To start with, carnivals will be rolled out in prominent malls in Gurgaon, Ahmedabad and Mumbai. Beginning August 23, ITA's tea mission will be extended to seven more cities, including Delhi, Bangalore and Jaipur in 2014-'15. The visitors will be able to taste and learn about different tea

varieties and recipes of various tea-linked food items.

The overall rise in per capita consumption of tea in India (700 gm) is getting stagnant. "Our per-capita tea intake is much lesser than even Pakistan and Bangladesh. Most of the Indian housewives know nothing about tea varieties and different recipes. Youths are not engaged with it too. We refrain kids from drinking it. It is perceived



Azam Monem

to be a drink for the older generation. The industry clearly lacks a consumer pull. We must go for more market connect and research now," said Azam Monem, Additional Vice Chairman of ITA.

Although the project is being funded and anchored by ITA, others would later join the mission, said Monem, who is also the Director of McLeod Russel India. India's tea production in 2014, as per Tea Board's estimate, is expected to cross last year's mark of 1,200 mkg.

## India set to sip Jungpana Darjeeling

Although an Indian-owned 115-year old brew that is acclaimed by its worldwide connoisseurs, Jungpana Darjeeling has never been a known name to the lovers of the finest Darjeeling tea in the country. The elusive Darjeeling brand – which has been catalogued at the royal grocer Fortnum and Mason's Diamond Jubilee Tea Salon, across all top hospitality

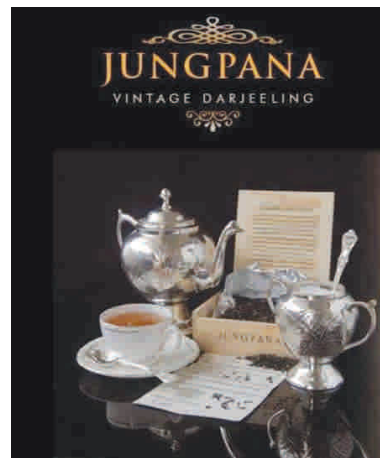


places and high-end global markets – will now be available in India in tea bags and branded loose format.

So far, the leaves coming from the southern slopes of Darjeeling had always been sold through auctioneers and private sales via brokers to every other part of the world except India. Started by legendary British planter Henry Montgomery Lennox in 1899, the Jungpana Tea Estate was acquired by the Kejriwals in 1956 from the Ranas of Nepal, who had acquired the garden following the departure of the British.

Initially, the planter will open Jungpana counters at two high-end shopping malls each in Kolkata, Mumbai, Delhi and later in Bangalore.

A pack of ten Jungpana pyramid tea bags – of first flush,



second flush and green varieties – would be priced at Rs 250 in India. Jungpana loose first flush black, Oolong/green and post second flush will be sold for Rs 5,000, Rs 3,000 and Rs 2,500 per kg respectively in India.

# Contemporary Brokers Tasting Sessions



Tea Tasting Session at Dibrugarh conducted by Contemporary Brokers on June 26, 2014. Attended by D Mitra (Rana), P K Das and Nilanjan Chowdhury

Tea Tasting Session conducted at Silchar by Contemporary Brokers in early July 2014. Attended by D Mitra(Rana), P K Das and Niladri Saha



## Price Stabilising Fund threshold may come down

The Ministry of Commerce and Industry wants to relaunch a scheme to help the producers of commodities such as tea, coffee, rubber and tobacco deal with extreme price fluctuations in the domestic and international markets. The scheme – Price Stabilisation Fund Scheme – was first introduced in April 2003. A corpus of Rs 500 crore was set up and commodity growers could get compensation if prices tanked beyond 20%.

The scheme was closed in 2013 because it did not find many takers. The main reason for the lack of interest in the scheme was the stiff threshold. In most years, prices did not dip below 20% so growers could not claim compensation.

The Ministry is now set to modify rules to facilitate expenditure of Price Stabilising Fund, earmarked to combat a drastic fall in prices of tea, coffee and rubber against the average global price band of the respective product. “The Rs 500 crore fund

has been untouched for its fixed tenure of 10 years (2003-2013) owing to a big cut-off rate price fall at 20%. However, the Union Ministry of Commerce is considering to bring down the price fall limit to 10%, so that the industry can get the compensation more often,” said Tea Board Chairman at the 118th Annual General Meeting of CTTA.

However, Tea Board won't use this fund to pare production loss owing to the current spell of drought, causing drastic fall in production – about 30 mkg in all India during January-May, 2014. Elaborating on the proposed modified objective of the fund, Siddharth said compensating loss of income of the industry on tea sales will be the primary target. “This will automatically help producers to plough back and upgrade century-old gardens. In good situations like during bumper tea output season too, the price might drop drastically. The fund would come handy then,” he

added. Besides offering compensation, the fund will also be used to check price imbalance with the global markets.

The Ministry also wants long-term support for growers instead of intervening only during a crisis.

“We are trying to compensate the farmer for his loss of income. The loss will be calculated per hectare. The

Price Stabilising Fund was there and was not used as the terms were stringent. Because of the price threshold the scheme of 2003 could not be implemented,” said Mr. Siddharth, Chairman of the Tea Board of India.

“Now when we are closing the scheme, the department is thinking of revising it and modifying it so it becomes more farmer-friendly by reducing the threshold.”



Tea Board Chairman, Mr. Siddharth

### Advertisement

A leading certification body in the sectors of organic farming and sustainable agriculture is looking for persons with 8 to 10 years' experience in the plantation industry. The selected persons will carry out audits in India and neighbouring countries according to the sustainability standards such as Utz Certified, RA/SAN, 4 C, Trustea, Bon Sucro etc as well as the various organic farming standards.

Besides in-depth knowledge and hands-on experience in all aspects of plantation crops such as tea and coffee, the applicants are expected to have excellent communication and inter personal skills. They should be proficient in English, Hindi and at least one of the following languages (Assamese, Kannada, Malayalam, Nepali and Tamil). The applicants must be physically fit and willing to travel for extended periods.

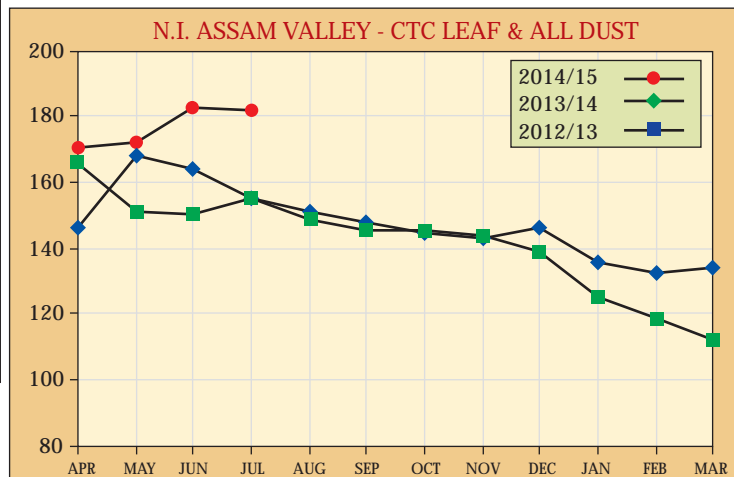
Please send your CV with complete details of educational qualifications & work experience, two independent references and a write up of about 300 words on your career vision to the following email address. [certbody@gmail.com](mailto:certbody@gmail.com)

# Contemporary Targett TEA TRENDS

Compiled  
by  
Soumen Bagchi

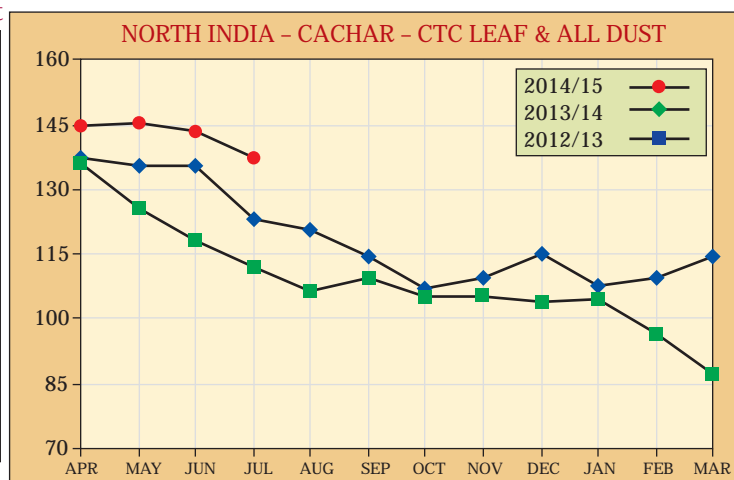
## North India - Assam Valley CTC Leaf & All Dust

Months	2014/15	2013/14	+/-	2012/13
APR	170.60	165.67	4.94	146.07
MAY	171.91	151.04	20.87	168.12
JUN	182.82	150.09	32.73	164.31
JUL	182.07	155.18	26.90	155.11
AUG		148.44		151.23
SEP		145.27		147.81
OCT		145.29		144.57
NOV		143.67		143.45
DEC		139.36		146.10
JAN		125.26		135.85
FEB		118.57		132.76
MAR		112.69		134.12
April/July	179.58	153.59	25.99	159.73



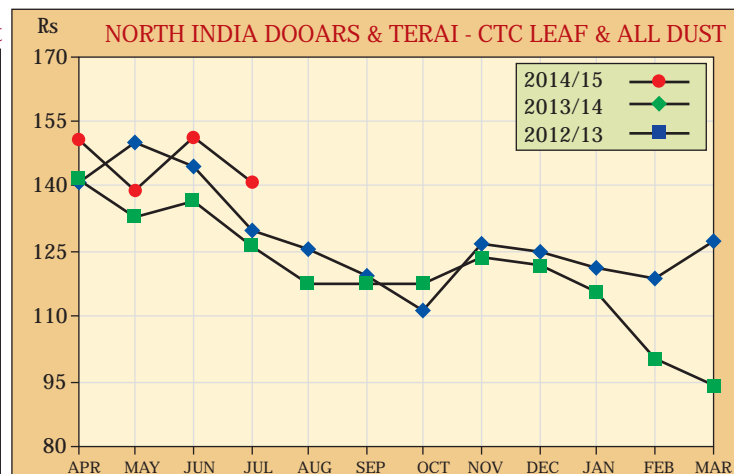
## North India - Cachar - CTC Leaf & All Dust

Months	2014/15	2013/14	+/-	2012/13
APR	144.87	136.10	8.77	137.50
MAY	145.37	125.51	19.86	135.27
JUN	143.33	117.94	25.38	135.81
JUL	137.25	111.89	25.36	122.96
AUG		106.38		120.99
SEP		109.46		114.38
OCT		105.39		107.35
NOV		105.25		109.27
DEC		104.27		115.15
JAN		104.37		108.01
FEB		96.37		109.69
MAR		87.44		114.56
April/July	140.64	117.18	23.46	128.71



## North India - Dooars & Terai - CTC Leaf & All Dust

Months	2014/15	2013/14	+/-	2012/13
APR	150.92	141.30	9.62	140.89
MAY	139.36	132.81	6.55	150.01
JUN	151.39	136.62	14.77	144.75
JUL	14.60	126.07	14.52	130.14
AUG		117.71		125.61
SEP		117.78		119.28
OCT		117.75		111.42
NOV		123.59		126.70
DEC		122.04		125.22
JAN		115.53		120.95
FEB		100.48		118.71
MAR		94.27		127.30
April/July	144.73	132.51	12.22	138.63



(\*Subject to minor revision)



**A tea story** that has been brewing in the Darjeeling hills for a while has now come to fruition with Makaibari tea estate owner Rajah Banerjee selling off almost 90% stake to the Luxmi Group. The deal, believed to be in excess of Rs 20 crores and being termed a 'strategic partnership' by the parties, ends the romance of the only family-owned garden that has survived the tribulations of time in the hills. Banerjee's great grandfather Girish Chandra had founded the estate and set up the world's first tea factory in 1859.

The garden, a niche property off Kurseong that shaped the perception of Darjeeling tea and elevated the golden brew from a cash crop to a brand worth its weight in gold, was passed down the generation to Tarapada, Pashupatinath and Rajah. Today, Makaibari is the ultimate brand for a connoisseur of Darjeeling tea. It was the official tea partner at Beijing Olympics in 2008 and was served at the 2014 FIFA World Cup in Brazil.

The Luxmi Group that has acquired the majority stake in Makaibari produces tea in copious quantities at estates spread over Assam, Tripura, Dooars and Terai, too has a story to tell, having been founded in 1912 by P a r e s h C h a n d r a C h a t t e r j e e in Tripura to fuel the movement of Satyagraha by replacing 'British' tea by the 'Indian' tea. His son Dipankar is now the chairman. The group's other businesses are carpets and real estate. The turnover from tea is Rs 300 crore.

Rajah Banerjee said that even after the changeover he would continue to manage the garden that produces around 1.25 lakh kg tea every year and steer the brand's



# New flavour



Rajah Banerjee

fortunes. "It was a tough decision but one that needed to be taken. I was toying with the idea for four years and

finally bit the bullet a few days ago," said Banerjee, who will remain the chairman of Makaibari Tea & Trading Co. Pvt. Ltd. and the face of the company.

The seeds of a 'partnership' were perhaps sown in November

The Luxmi Group  
will bring in  
accounting expertise  
and distribution  
network



because Rajah's sons are not interested in tea and I admire the company that Rajah's family has created over a century," said Chatterjee.

Rajah said the strategic sale was also to rebuff pretensions by other wealthy people with no interest in tea from grabbing Makaibari. "I didn't want Makaibari to become another garden that is wrung dry," he said.

## Rajah Banerjee to continue as Chairman

Chatterjee, who has purchased more than a dozen tea gardens in the past and turned several of them around, believes in allowing an efficient owner to continue.

"Makaibari is a unique garden that will be preserved. Two thirds of the property is actually a rain forest and that is what it will remain," Chatterjee added.

On Makaibari's future, Rajah said the funds infusion would help rejuvenate the garden and enhance the brand in terms of volume as well as reach. "I will now go out and pick the finest of Darjeeling tea from auctions and market them under Makaibari brand. The tea will then be distributed by Luxmi. Makaibari's turnover was Rs 11 crore last year and it can shoot upto Rs 30 crore in a year", he added.

# brews at MAKAIBARI

The Luxmi Group acquires 90% stake  
in the family owned tea estate

2010, when Makaibari and Luxmi Tea jointly launched a pack carrying the logos of German football giant FC Bayern Munich and local favourite East Bengal to commemorate a match between the teams. In addition to infusion of much needed capital to develop the estate, the Luxmi Group that produces over 150 mkg of tea (in comparison, less than 10 mkg of tea is grown in the entire Darjeeling district) will bring in accounting expertise and distribution network, helping Makaibari evolve into a much bigger brand. On its part,

Makaibari will not only bring to the table the expertise in creating one of the most valuable tea brands but also its rich legacy.

Though Makaibari is now a subsidiary of Luxmi and Chatterjee scion Rudra is a Director on the board, Chairman Dipankar Chatterjee said Rajah will continue to be the Chairman of Makaibari till he retires. Rudra will look after the company's finances and distribution channel. "Makaibari and Rajah are inseparable. We don't want to disturb the association. I stepped in to purchase a stake





# EAT TEA

*A New Approach  
to Flavoring  
Contemporary and  
Traditional Dishes*

**JOANNA PRUESS**  
WITH  
**JOHN HARNEY**  
PHOTOGRAPHS BY TOM ECKERLE



John Harney's  
amazing tea journey

Kalyan Sircar

After that disastrous party at Boston, Massachusetts, not many people in the United States dared to express their craving for a cup of tea. Tea became an unmentionable subject, a prohibited area of desire. After nearly two centuries a new and more systematic attempt was made to introduce tea in a country where the common drink was coffee. In the early years of the 20th century increased production and growing competition for a share in the international market prompted Indian growers to seek markets other than the traditional UK. In 1901 the Indian Tea Association suggested that "much more effort should be made to develop markets abroad particularly on the continent and the United States."

The Indian Tea Market Expansion Board spent a vast amount of money and much effort to re-introduce tea in America, apparently of great potential. But the success was limited until much later.

John Harney (1930-2014), a marine turned master blender, was a pioneer who oversaw an American revival in tea drinking. In 1983 he founded Harney & Sons, blenders and traders of premium tea. A self-described Evangelical he said, "All we wanted to do was to get out there and convert, sort of like St John with his gospel. That's what I consider myself." Since the foundation of his company and efforts of others that went to interest Americans in tea drinking, consumption in the country has quadrupled over the past two decades.

Harney & Sons started trading in 1983 with just six blends. Presently the firm offers



# an 'Evangelical' ON TEA

300 options, from traditional black teas – including Assam, Darjeeling and Sri Lanka – to Chinese green teas, such as Anji Baicha and Lung Ching, via the semi-oxidized middle-ground of Oolong teas. Its annual sales now total \$30 million. How did John Harney come to interest himself in tea? Born in 1930 in Ohio, he lost his mother when he was twelve. His father worked as an itinerant engineer. The young boy spent his adolescence with an uncle and aunt in Vermont, where they ran an inn.

After serving in the US marine corps between 1948 and 1952, he did a course in Hotel Administration at Cornell University. As part of the course he worked at a landmark 19th century tavern, the White Hart Inn – Salisbury, Connecticut. Here he was introduced to the mystery and joys of tea.

In 1960 he met Stanley Mason, an English tea trader who had a small boutique company, Sarum Tea, based in a New England town. Here Harney was asked to serve the blend made by Mason. The tea served there became very popular. Later, Harney wrote, "People asked daily where the blend could be purchased. I sent guests to Stanley's home where he could be found packing teas." Stanley's advice to Harney was to serve only loose tea, then unheard of in the United States.

In 1970 Harney bought Sarum Tea and Mason became his advisor. The apprenticeship period lasted for 10 years, until the death of Mason in 1980. The irony of history!

"In 1978 I sold tea to my first hotel, The Ritz-Carlton in Boston! They purchased English Breakfast, Earl Grey, Darjeeling, Assam, Gunpowder and Chamomile – the

full Sarum line."

When in 1983 he formed his firm, Harney was doing his business from the cellar of his home. It was in the following decade that the company expanded its blended tea business in a big way. In 1995 drinking tea became the "hot thing", remarked the successful businessman John Harney. The company's blends were promoted both on taste and health grounds. "Tea is better for you than coffee because it is lower in caffeine and rich in polyphenols" – thus preached the man with a mission. Moreover, tea tastes better, Harney declared. Later he developed contacts with the Angiogenesis Foundation and Oregon State University to study the medical benefits of tea drinking. His enthusiasm resulted in seminars and lectures for spreading the word and invitations to food editors and publishers for the same purpose. The non-initiates including his children were also roped in to create enthusiasm for the beverage. "My favorite starters' mix always includes Earl Grey and English Breakfast, Sencha and a flavoured green (Chinese Flower), Oolong and Dragon Pearl Jasmine, and two herbals, Egyptian Chamomile and Raspberry," he explained. "I suggest getting two teapots – one two cup and one six cup – a teapot cozy, thermometer, timer, and strainer." Further, the perfect cup of tea requires 'furiously boiling water' (strictly 212 degrees Fahrenheit) and five-minute steeping ("No more, no less").

In addition to blending and selling a variety of teas, Harney also co-authored (with the cookery writer Joanna Pruess) on the subject: *Eat Tea: A New Approach to*



*Flavoring Contemporary and Traditional Dishes.* The book explained how to incorporate the spicy, smoky and fruity tastes of tea into traditional and contemporary meals.

One day John Harney was browsing in a book dealer's shop and saw a 1920 volume, *Reading Tea Leaves* (by one "Highland Seer"). He republished the book in 1995. In an afterword he wrote how he learnt to read tea leaves and entertained friends "deciphering the dregs." He only told the nice things!

In 2011 John Harney was awarded the Cha Jing Lifetime Achievement for his contributions to the tea industry. After his death this year it was announced that the prize would be renamed The John Harney Lifetime Achievement Award.

In 1773 the protesters tipped an East India shipment of tea leaves into Boston Harbour. Now tea is a "hot thing" in America. A good story.

Note. Partly based on the obituary notice published in the *London Daily Telegraph*.

*The writer is an academic based in London*







COVER STORY

# TEA TIME in BEIJING



### Mrittika Bose discovers new Chinese flavours

Visiting Tiananmen Square – in the Chinese capital Beijing – during the 25th anniversary year of the historic uprising there, provided goosebump inducing excitement to first time China visitors like us. The crowd, comprising mainly Chinese tourists, even on a weekday, was amazing. The emotions were palpable. Teary-eyed groups gazed at the massive sculpture, the red flags fluttering over the majestic buildings around the Square, taking in the change of guards with awe. A young lady was crying her heart out, probably lamenting the loss of a loved one in the protests that had taken place in this bustling place that had turned into a battlefield 25 years back.

Noticing a particularly dense gathering at a certain point in the Square, we curiously went over to find a green tea kiosk, where visitors were thronging to fill up or replenish their flasks with the brew to see them through their day of outing. From then on and during my entire stay in China I discovered how intrinsically tea is woven into the Chinese lifestyle.

As we made our way through the Forbidden City, reliving beautiful moments from *The Last Emperor*, marvelling at the architectural splendour and exquisite craftsmanship, scores of

local tourists milled around savouring every bit of the glories of the past with occasional sips of green tea from their flasks that seemed to be providing them with unending energy. We stepped into the verdant environs of Jingshan Park adjacent to the Forbidden City. Meandering along the shaded paths we came upon small groups of women playing cards – a favourite pastime among the Chinese – with the ubiquitous flask of green tea beside them, waiting to be sipped.

It had been a long albeit interesting day. As we were about to wrap it up with a final stroll in Jingshan Park, we chanced upon a doorway with a bamboo curtain that halted us in our tracks. We could not read a word of the Chinese lettering on the signboard above but the shining brass tea pot at the entrance lured us inside. To our utmost delight it turned out to be a traditional Chinese tea room! The beautiful hostess had no problem selling us a tea ceremony. We savoured every movement of her delicate fingers as she prepared teas with the most astonishing flavours all the while explaining the speciality of each. The different vessels have their own different functions and the process of brewing differs with each flavour. The milky Oolong (with the milky taste and flavour but no milk in it!) is liked

by the common mass but the Ginseng Oolong was favoured by the emperors, explained our hostess. Jasmine tea is good for the liver and eyes and office goers who sit for long in front of computers prefer it. Lychee Rose Chinese black tea does marvels for the skin and Pu-erh tea is excellent for weight reduction. The tea room lined by exquisite tea caddies and teaware and the tea ceremony was a wonderfully fulfilling experience.

For the next few days as we visited many of the beautiful tourist spots in and around Beijing, we discovered a few of

the favourite things among the Chinese – young and old irrespectively. They love travelling, dressing well, making music and dancing in gay abandon and enjoy

Anti clockwise from facing page : Pretty hostess performing tea ceremony; traditional tea room; tea and cards – a favourite pastime; tea room entrance





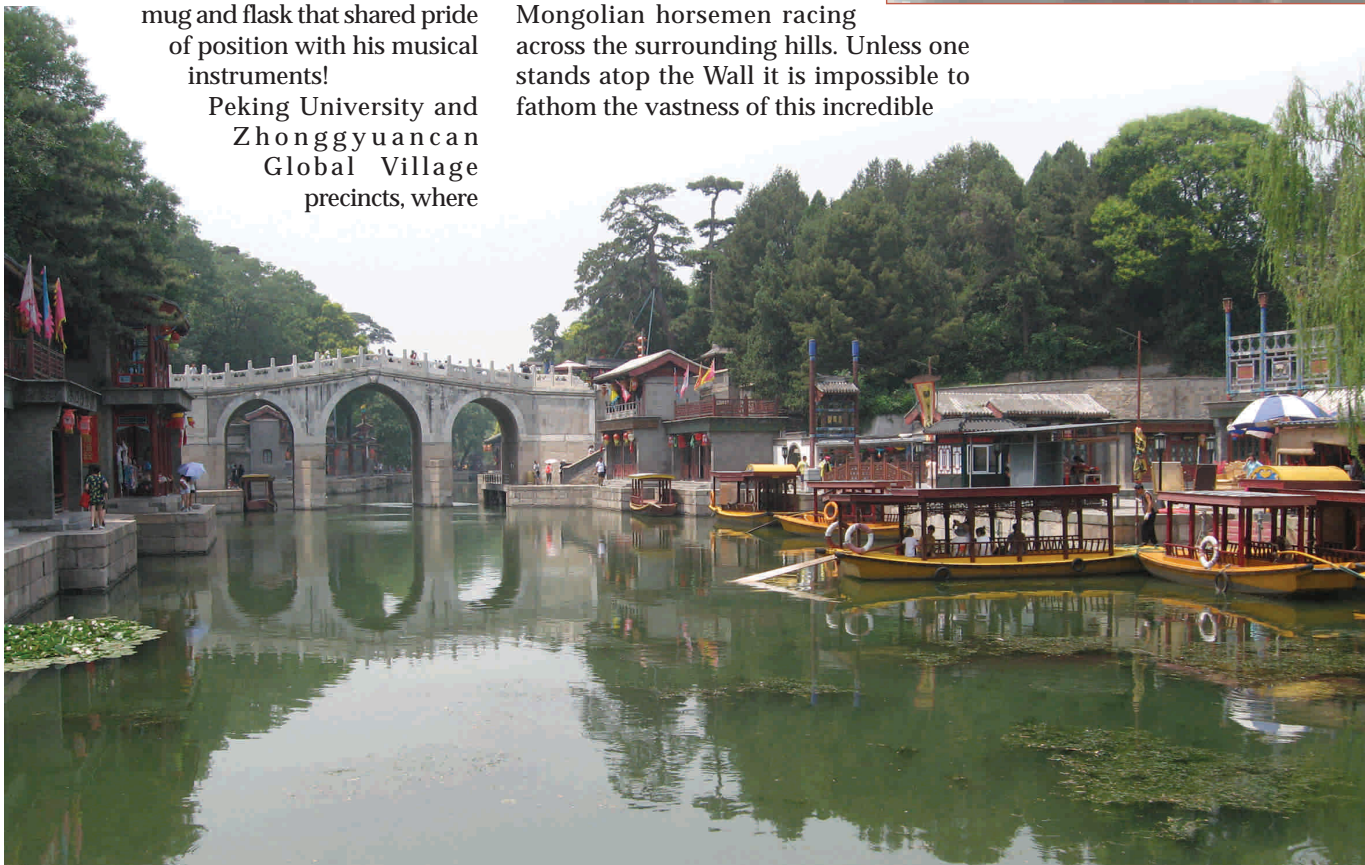


their food and tea – both of which exist in great variety in Chinese culture. There was this man, dressed in traditional costume, playing his percussion instruments along with recorded songs in Behai Park. One couldn't help stopping for some time to enjoy the feet tapping numbers. I marvelled at the man's gorgeous outfit, his zest for life (he was playing simply for the pleasure of making music) and the shining kettle, tea mug and flask that shared pride of position with his musical instruments!

Peking University and Zhonggyuancan Global Village precincts, where

we stayed, the cafes mostly frequented by us were very modern with contemporary decor, wi-fi facilities, jetsetting music, multi-cuisine fare and a wide variety of tea. Green tea as always is the local favourite but the Honey-ginger and Honey-lemon tea at A'bla cafe were simply outstanding. Youngsters who are the main visitors at these joints seemed to prefer tea to coffee (they do offer a variety of coffee also). This was aptly reflected in the beautiful painting of a fairytale tea party covering an entire wall of a cafe within the Peking University campus. The young upmarket crowd can do their tea shopping at the well stocked and tastefully done up tea shops in the swanky shopping malls where pretty hostesses offer green tea at the entrance and one can sit and taste various teas before making their choice.

Our visit to the Great Wall of China at Badaling was a once-in-a-lifetime affair. A decked up Cambrian camel greeted us near the entrance. Staring out from the ramparts of the wonder of the world, I could visualise the guards keeping round-the-clock vigil for Genghis and his fierce Mongolian horsemen racing across the surrounding hills. Unless one stands atop the Wall it is impossible to fathom the vastness of this incredible







piece of architecture. When we returned to the Beijing Badaling Hotspring Resort after the exhausting day at the Great Wall, the complimentary green tea (in a beautiful traditional caddy) in our room rejuvenated us instantly.

On our last night in Beijing we visited the Donghuamen night market. Well known for the unusual food on offer there that includes snakes, spiders, silkworms, star fishes and other such items besides typical Chinese snacks like steamed stuffed buns, wontons and much more, the place attracts hordes of local and international tourists. After tentative bites into a starfish and a snake we found them delicious and just let ourselves go. After we had had our fill – the most exotic dinner in my life yet – we took a walk back to the nearest subway station. Offices and most shops had long closed down for the day. Besides the night market visitors there were few pedestrians around. However the only shop lights still on and inviting customers inside were those of cosy tea shops tucked away in

street corners. And people were enjoying tête-a-têtes over cups of tea there, maybe as a grand finale to the gastronomical experience at the night market!

Photos : Author



*Clockwise from facing page :*  
Tea kiosk at Tiananmen Square;  
welcome green tea at modern tea shop;  
musician with shining instruments and teaware;  
inviting display of teaware;  
young people frequent these cafes;  
wall painting inside cafe;  
attractive tea caddies



# About China Tea

China is one of the most important tea-producing countries. The written history of tea consumption in China goes back longer than in any other country, thousands of years. In ancient China, tea was originally used as a medicine; over hundreds of years it slowly shifted towards being viewed first as a tonic and then as a beverage as it is today.

China, together with India, is one of the two largest producers and consumers of tea. In 2007, China produced over 30% of the world's production of tea, almost 1.2 million tonnes of tea out of the world's almost 3.9 million tonnes. Most of the tea produced in China is consumed within the country, although tea is also an important export good for China.

## Trends and Growth

- ☞ China's ranking in 2012 compared to the world: Plant Area - 2,113,000 hectares; Tea Output - 1,623,000 tonnes; Tea Export - 1,623,000 tonnes; Average Export Price - \$1.25/lb; Consumption - 1,233,000 tonnes *Source: ITC*
- ☞ With 36.8% of total world tea output and 30% of total world tea consumption, China has a huge influence over the worldwide tea industry.
- ☞ Development Strategy of China : Implementation of modern techniques to further develop tea extracts; Supporting and expanding organic tea programmes; Promoting consumption through advocacy and encouraging research on the health benefits of drinking tea.
- ☞ 2012 tea production and sales in China: Total output volume and business revenue have increased for all tea varieties produced - black tea has grown the most; Dollar sales have increased in spite of the great recession.

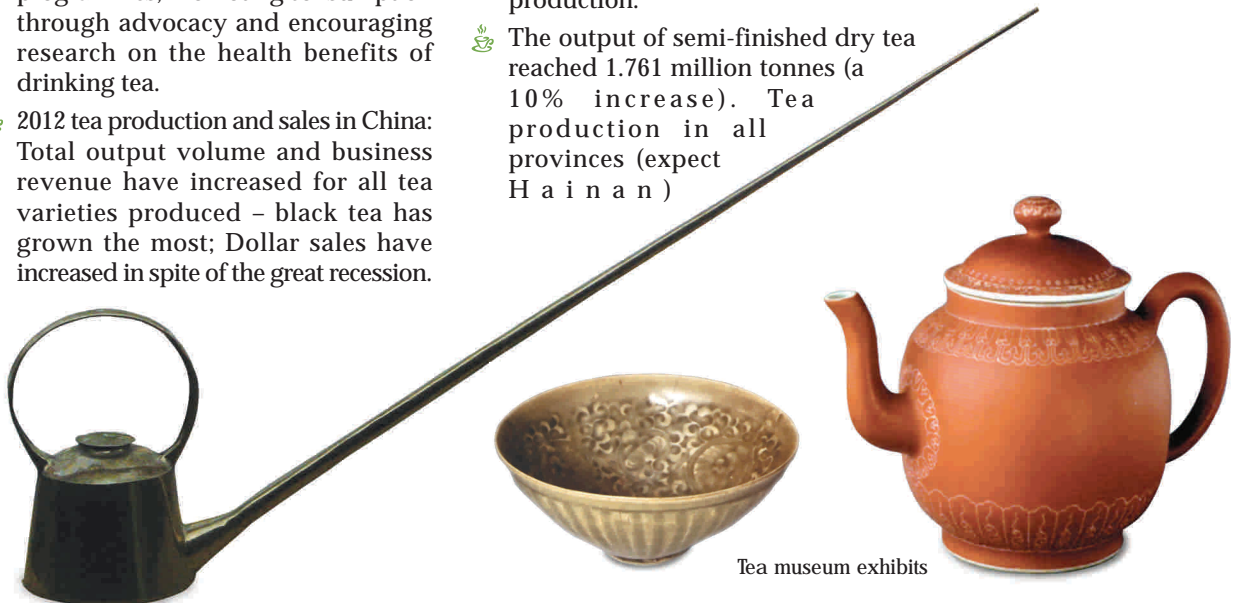
A myriad of styles of tea originated in China, which produces and consumes black, green, white, Oolong and Pu-erh teas, as well as the less well-known yellow teas. Chinese teas are astoundingly diverse, as within each of these broad types of tea, there are countless different styles, both ancient and modern. China has also come to produce styles of tea that originated elsewhere, such as Sencha, which originated in Japan.



Tea pluckers

This is due to the increase in quantity and improved quality. Also, high-end tea is growing in demand.

- ☞ Six percent increase in rate of expansion of tea plantations. However, the production yield per plantation has decreased by an annual rate of 3.8%.
- ☞ Organic Tea plantation area has reached 22,330,000 MU - an increase of 8.2% from 2011.
- ☞ Clone Tea Plantation area has reached 17.98 million MU - an increase of 15.7% since 2011. Clone tea plantation area now accounts for 51% of the total tea production.
- ☞ The output of semi-finished dry tea reached 1.761 million tonnes (a 10% increase). Tea production in all provinces (except H a i n a n )



Tea museum exhibits

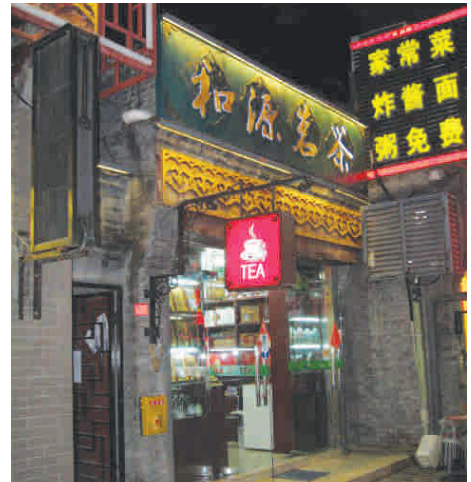


experienced substantial increases.

- ☞ **Tea Varieties** : The six major tea varieties have all increased in production. Many plantations are making great efforts to adjust their tea production to meet the demands for black tea.
- ☞ **Tea plantation expansion** will slow down and the growth of future tea production will rely more on the improvement of yield per capita.



Quaint tea shop



## Tea growing areas in China

**The north Yangtze district** covers the northern basins of central and lower reaches of the Yangtze River, including Henan, Shanxi, Gansu, Shandong, northern part of Anhui, Jiangsu and Hubei. They produce mainly green tea such as Liuan Gua Pian and Xinyang Mao Jian.

**The south Yangtze district** lies to the south of the river at the central and lower reaches, including Zhejiang, Hunan, Jiangxi, southern parts of Anhui, Jiangsu and Hubei. These areas produce green tea, black tea, tead tea, flower scented tea such as Xihu Long Jing, Huanshan Mao Feng, Dongting Bi Luo Chun, Junshan Yin Zhen, Lushan Yun Wu.

**The southern district** covers the southern parts of China, including Guangdong, Guangxi, Fujian and Hainan. These areas produce black tea, Oolong tea, flower scented tea, white tea and Liu Bao tea.

**The south-western districts** were the earliest tea producing districts in China, including Yunnan, Guizhou, Sichuan and the south-eastern part of Tibet. These areas produce mainly black tea, green tea, Tuo tea, Pu Erh and compressed tea.

## Tea Museum

The China National Tea Museum is located in Shuangfeng, Longjing Road, Hangzhou, Zhejiang province. It occupies 3.7 hectares and 8,000 square metres construction area. It is a national-rank museum. The special subjects of it are tea and its culture. It was opened to public in April, 1991.

The museum is located around tea plantations. In side the museum, the flower corridors, fake hills, ponds and water-side pavilions are well integrated. It is like a park in the south of the Changjing River where the atmosphere is clean and one can feel the closeness to nature.



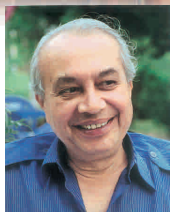
Tea Kaleidoscope Hall

China National Tea Museum, with its treasure of tea artefacts and the taste and fragrance of a wide variety of teas attracts visitors from all over the world.



Locals and foreigners enjoy a variety of tea at swanky cafes





Prafull Goradia

# CHINA CHARM

## Tracing the history of China tea

**O**n 9 September 1889, Chang Chih-Tung the acting Governor of Kwang-Tung province, addressed a memorial to the Emperor of China. His specific plea was for the government to set up a cotton mill in his province. But he justified the project by the need to reduce the drainage of wealth out of China. Too much silver was going out of the country. In 1888-'89 the value of the outflow was £10.5 million. The reason was a failure in the export of tea and silk. The governor complained that India had taken in hand the production of tea on a large scale.

“At one time, the profits to be derived from tea and silk were the exclusive monopoly of China, but of

late these profits have already begun to fall, so much so that the tea planters and silk-weavers are suffering, the welfare of the people is daily deteriorating.”

The governor was not alone in bemoaning the displacement of China tea by the Indian variety. While lecturing to the students of the London Hospital, Sir Andrew Clark said “Indian tea has become so powerful in its effects upon the nervous system that those who take it actually get into a state of tea intoxication.” He went on, “If you want to have tea which will not injure and which will refresh, get black China tea.” It was Sir Andrew Clark who in the course of this lecture in 1891 phrased the dictum “The cup that cheers but not inebriates is black China tea”. The bias for China tea was long to live. In August 1908, the Government of India concluded a press communique with the remark that doctors at home (Britain) are advocating the use of

China tea as containing less tannin and being consequently more wholesome. The subject of this communique was the withdrawal of import duty on Russian sugar in reciprocation of the repeal by Russia of its surtax on the import of Indian and Ceylon tea.

Such compliments did not lull the Chinese into complacency and in 1897 the Foochow Tea Improvement Company was floated. Its objective was to set up a two storeyed factory complete with modern machinery from Davidson’s ranging from a ten horse power engine to three rolling tables (the largest being a Jackson’s 24 inches) to a Venetian drier. The factory was to be erected and managed by an English engineer who had been in charge of a tea factory in India. There were many growers in the vicinity of the site who were ready sellers of their green leaf. The machines would help to improve the character and







quality of the product. It was also felt that the time had come to deploy capital on a larger scale. Government officials were favourably disposed and they had offered to assist the factory. The time was also right as the Indian and Ceylon rupees were over valued by 25% compared with Chinese silver. This would give an edge to China tea in the export markets.

The Chinese were equally active on the marketing front. In 1899, the Liverpool Courier reported that a number of restaurants in England were serving 'special' tea at an extra charge of two pence per pot. If asked what was special, the waitress would reply "Why, good tea, China tea" with a strong emphasis on the word "China". The journal went on to remark that the extra charge was well worth while. Many more people would prefer China tea only if it was not one-third dearer than Indians and Ceylons. Moreover, the average housewife did not understand that China tea required a minute or two longer to infuse.

In March 1905 came India's turn to learn from China. The Indian Tea Company decided to send an experienced planter to Sechuan at a cost of £400 to learn how to manufacture brick tea. This would enable the company to export brick tea to Tibet. Indo-Chinese jealousy

was however not to end. In 1909 exports from North China fell by 14 million pounds. The growers complained to the government at Peking (Beijing) that the decline was due to incessant, almost unscrupulous, misrepresentation by Indian interests that China tea was impure. A Bombay reader of the Capital wrote to the editor on April 10, 1919 that China was dumping huge quantities of its tea in Bombay. As a result, Indian tea was not making a headway in India and the labours of the Indian Tea Cess Committee to promote Indian tea in India were going waste.

Protestations did not stand in the way of trade. Bombay continued to import China tea. In 1924, 0.67 million pounds of green tea came to Bombay compared to one million pounds shipped to the North African ports. Nearly 0.3 million pounds of black tea came from China to Bombay. 1925 witnessed a protest of a different kind in a different place. Mr. Bunting, the President of the Tea Buying Brokers' Association of London, in a press interview, warned Indian and Ceylon producers against the folly of plucking coarse and marketing poor quality leaves. "Do not forget China" which had ruined the market by shipping to England an excess of common tea. This low grade of tea of China had become practically unsaleable.

Nevertheless, China tea exports jogged along and the three seasons from 1925 to 1927 passed satisfactorily. All the traditional buyers bought freely both the black as well as the green variety. The

best grades realised upto 64 taels (tael = 1.4 dollar) per picul (132.5 pounds) or 21d per pound c.i.f. London while the cheapest varieties were priced at about 8d. But the future prospects were gloomy as the political climate was critical. In addition, the Nationalist Government had imposed luxury taxes. The impression was that all this money collected would go to keep the military in funds. Fortuitously however the British Supreme Court in Shanghai declared these taxes illegal.

In 1929, the Financial Times of London estimated the annual production to be about 300 million pounds comprising four varieties, namely, green, black, Oolong and brick. In identifying them, the locality of the growth and of its manufacture type were important. Some teas were completely made at the growing centre, others were partly made there and finished at Shanghai while yet others were entirely manufactured in the city. Whether the flush belonged to the first, second, third or fourth crop in relation to the Grain Festival also mattered a great deal to the buyer. No one could transact sale except through two standard middlemen, namely, the local collector and the dealer. Brick tea was especially made for Mongolia, Tibet and Siberia and sent to these markets on pack animals. In underdeveloped regions like Mongolia, tea was often used as a medium of exchange.

*Based on issues of Capital, India's only business journal till 1935*

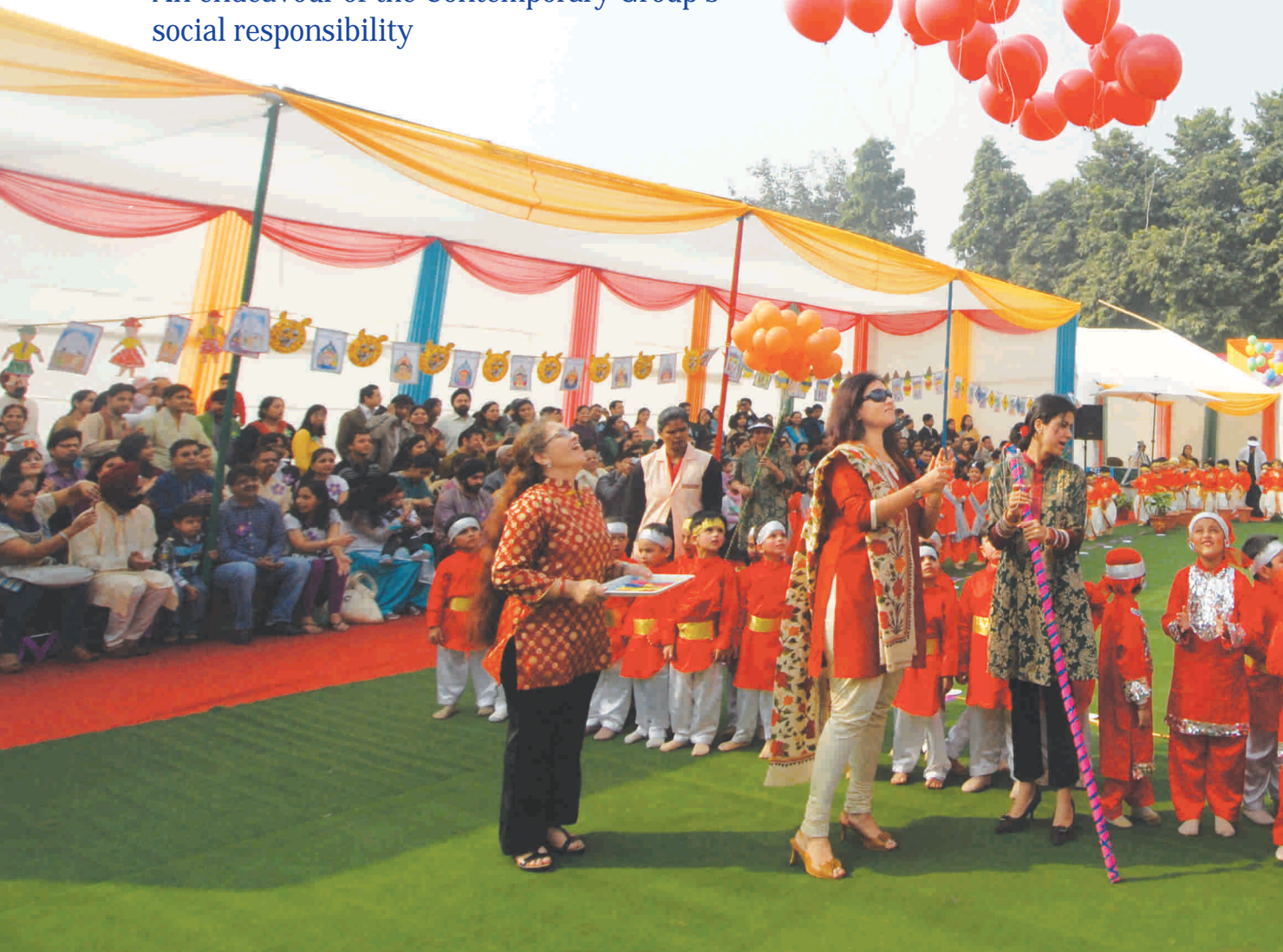
*Contemporary Tea Time December 2005*

*Photos : Mrittika Bose*



# The Indian School

An endeavour of the Contemporary Group's social responsibility



**T**he Indian School, an endeavour of the Contemporary Group's Social Responsibility has been ranked among the top five schools of Delhi for its CBSE score. The school was honoured by the Lt. Governor Shri Najeeb Jung at an impressive ceremony at the city's Thyagraj stadium last month.

In keeping with the RTE norms, one-fourth of the students admitted at the entry level are not required to pay any fees.

A relative newcomer to the Delhi scene, The Indian School believes in holistic development of children. To take this forward, the school has fully equipped rooms not only for its academic curriculum but also for co-curricular activities like art, dance, drama and Western and Indian music.

Recently the school hosted *Malhaar*; its annual music, dance and art inter-school competition. Five hundred and fifty students from 27 schools participated in this colourful



Arun Jaitley, Minister of Finance and Defence, Government of India, being welcomed to inaugurate the school's Citizenship Project - (L to R), Arun Jaitley, Shyam Divan, Chairman, Managing Committee, Madhavi Goradia Divan, I Raisinghani





Pre-primary Annual Day



The Citizens' Brigade



Once upon a time...



In the biology lab

Young sculptors at work



show of diverse creativity.

The school encourages children to think independently, be passionate about what they wish to do, value excellence – firmly believing that it is

the children who can make the world a better place.

Prominent among the school's best practices is the Citizenship Project inaugurated a few years ago by Arun Jaitley, Minister of Finance and Defence, Government of India and Rev. Valson Thampu, Principal of St. Stephens' College. The project enthruses young citizens to share and care for the less privileged – the old, the infirm, the economically disadvantaged – not by "collection drives" but by *shram daan*, where children earn money from the sweat of their brow. Thus they recycle paper, make paintings, picture postcards, manufacture toilet soaps, grow and label potted plants. The proceeds are distributed in various directions – from planning a library in a home for abandoned children to creating heritage awareness for the city's monuments and even buying a refrigerator for an old peoples' home!





# More about the Bungalow

## And the colourful inmates

Mode of life is the same over all the tea districts, and life in one bungalow is a fair sample of life in all. Servants are either Mussulmans or Hindus : the former must be secured in Calcutta and taken up country; the latter are recruited from the better class of coolies on the garden, and promoted to bungalow work.

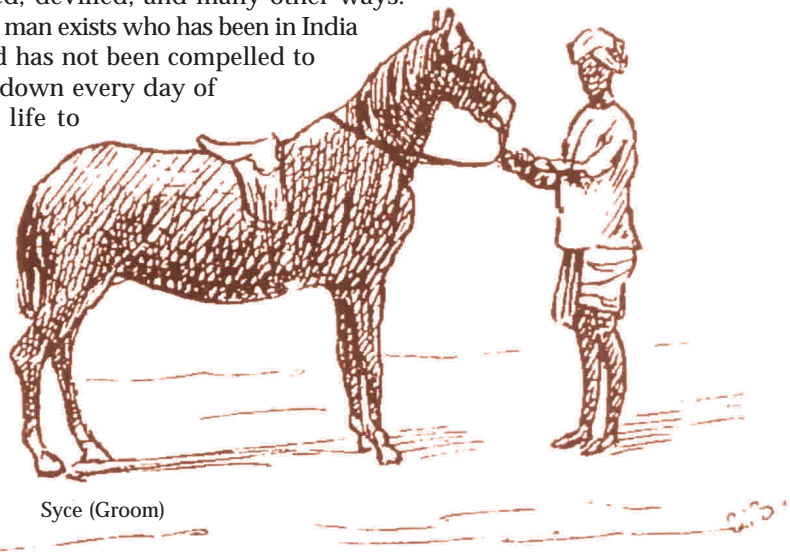
The number of servants required in India is at first sight appalling. To begin with, each person has a

*kitmutgar*, or waiter, to attend to his wants at dinner, a species of butler in fact; next there is a bearer to look after the bedroom and act as valet, then the *khansama* (cook) and his assistant, two or three *pani-wallahs* (watercarriers), the *mater* (sweeper), two

The *mater* (Sweeper) *chowkeydars* (watchmen) one for night, the other for day duty, *punkah-wallahs* (two or three for pulling the *punkah* during the hot weather), *syces* (one for each horse), *malee* (gardeners, according to size of garden), *moorgie-wallah* (to look after the chickens), *gorukhiya* (cow-herd) and a few others. These make up a considerable establishment in point of numbers. There is no bell in a bungalow, so servants, are summoned by a call : the *chowkeydar* on duty being at hand, takes up the *sahib's* summons for the servant in question; the other servants, hearing the shouting, lend

their inharmonious voices to the disturbed state of things, and the whole air echoes back the name of the man in request. He is in all probability, rolled up in some out-of-the-way corner, fast asleep, dreaming sweetly of his country, where the wife that he ran away from on account of their poverty, when the land was threatened with a drought, awaits his return, and may continue in this unenviable state of suspense so far as he is concerned, for has he not, since his arrival in this country, again tempted Hymen, and taken unto himself another dusky maiden?

One insurmountable difficulty is constantly present before the bungalow caterer which it is impossible to get over, namely how to vary the diet. Day succeeds day, and the monotony of chicken meat remains unchanged : chicken in every form, chicken cutlets, steaks, minced, spatchcocked, rissoled, roasted, boiled, curried, in soup, on toast, fried, devilled, and many other ways. No man exists who has been in India and has not been compelled to sit down every day of his life to



Syce (Groom)



at least one meal in which chicken figured conspicuously in some form or another. These miserable fowls, a weak burlesque on their English prototypes, are procured by the *moorgie-wallah*, whose duty it is to start off every morning and scour the surrounding villages for the purpose of buying up all available chickens, ducks and eggs. The birds are brought back on a bamboo stick, strung up by the legs, head downwards. Such treatment in a hot country would give any bird but a hen apoplexy; they do not, however, in this country have a chance to so enrich their blood by overfeeding as to render them susceptible to an attack of this malady. An occasional glimmer of hope, a meteor of change shoots across the culinary horizon in the shape of a duck or a goose, while those who are fortunate

enough to live in the vicinity of three or four other planters can form a sheep club, and kill once a month or once a fortnight, as requirement may happen. An ordinary man, with a

good appetite and fair digestive organs, could make one square meal off an Assam sheep, the ovine ambition here seeming to be to vie with the greyhound in slenderness, rather than in devoting all its energies and reserve forces to developing that flesh in which man delights, a perverseness that no amount of feeding up can overcome. Mutton, small as it is, is indeed a welcome variation, and although nearly always tough, its charms are great to the involuntary chicken eater. Kids well fattened (few know how hard it is to persuade a kid to put on fat in a climate where the thermometer averages about 88° in the shade, but those who have made the daring attempt to outrage nature) are quite as good as mutton; in truth, it is almost impossible to distinguish between them when cooked.

Courtesy : [www.koihai.com](http://www.koihai.com)



Punkah Wallah



Head Mohurir



## A comprehensive report

Gujarat, which tops in milk production in India, also consumes the second largest volume of tea in the country. For the tea industry of the country and particularly for that of Assam, Western India is a very important market. The three states of Western India consume approximately 200 million kg of tea – Gujarat 65 million kg, Maharashtra 75 million kg and Rajasthan 55 million kg. In this, Brahmaputra Valley's tea share is flat 50 percent, Barak Valley's share is 15 percent, Doors' share is 15 percent and south India's share is 20 percent. MNCs are not so active in Gujarat, particularly HUL, although TGBL has got a small market share with the major players. As per the cup quality in Gujarat, Ahmedabad prefers bright yellows cups (*keshri* liquor) whereas rest of Gujarat likes coloury thick cups.

### MAJOR PLAYERS

#### Gujarat Tea Processors & Packers Ltd. (Wagh Bakri)

Wagh Bakri Tea Group is a Premium Tea Company, having presence in tea business since 1892. Today it is the third largest packet tea company in India with a turnover of over Rs 700 cr and over 30 million kg of tea distribution. The group has taken leading strides in tea exports and retail consumer



# Tea buying in GUJARAT

all over the world. With huge number of Wagh Bakri tea lovers around the world, it has emerged as a truly global brand. The company enjoys undisputed market presence in Gujarat, Rajasthan, Madhya Pradesh, Maharashtra, Delhi and Hyderabad and has recently forayed into Chhattisgarh and Goa.

Wagh Bakri's international market includes USA, Canada, UK, Greece, Zambia, Togo, Ghana, UAE, Kuwait, Qatar, Oman, Australia, New Zealand, Fiji, Singapore.

Tea Brands - Wagh Bakri, Good Morning Premium, Milli.



Nilanjan Chowdhury

#### Jivraj

The journey of Jivraj Group was started before the Independence era by Sureshbhai Shah and in a very short span, it aggressively expanded with the establishment of many retail outlets. Sensing the changing trends and needs of the emerging consumer, the group intro-







duced packed tea deploying the most modern process and insightful strategies. Today the group is showing strong presence through 54 company owned retail outlets, 272 authorised distributors and servicing 20,000 outlets directly across Gujarat. Today Jivraj Tea portfolio consists of finest quality tea brands like the all time favourite Jivraj 9 Tea, J9 Premium Tea – made from Assam Orthodox CTC leaf tea, J9 Premium Green Tea, Lajwaab Tea – a special blend for Gulf countries and economy tea.

### Shri Somabhai Kashibhai Patel

The company stepped into the tea industry in 1948. They had started wholesale business in 1948, after that a small shop in Ahmedabad to make the tea available to the customer. Currently they are operating with over 100 distributors spread across Gujarat and the placement of products in almost 75% of tea keeping outlets. Over and above this they are the only company in the country having company owned outlets and franchisee outlets – more than 20 – involved in selling loose blended tea in all major metros/semi metros of the state of Gujarat. Popular brands of the company are Narangi, Special Patti, Number11 in CTC and Dust blend.



#### Major markets in Gujarat

Bhuj Mahesana Surendra Nagar Ahmedabad  
Surat Rajkot Jamnagar Bhav Nagar

#### The approximate percentage of preferred grades in Gujarat

GRADE	BUYING (%)
BOPSM	30%
BP	20%
PF/OF	15%
DUST	10%
PD	20%
BOP	5%



#### Major Agents in Kolkata operating for Gujarat

D.Dayalbhai & Co  
(Grades - BOPSM,BP,PF,D)

Kesaria & Co  
(Grades - BP,PF,PD,D)

Jamnadas Tribhovandas & Co  
(Grades - BP,PF,PD,D)

C I Limited  
(Grades - BP,PF,D)

Dwarkadas & Co  
(Grades - PF,PD)

Ashvin,Tararaj, MSP  
(Grades - BOPSM,BP,PF,PD,D)

The author is a Senior Executive of Contemporary Brokers

#### Loose Tea Buyers (Retailer/Supplier)

Varun Tea Enterprise (Ahmedabad) - Supplier of good and best quality CTC tea

Rajwadi Tea (Patan) - Retailer and supplier of packet teas which is mostly preferred by urban populace

K K Tea Processor (Ahmedabad) - Retailer and also deals in instant tea, herbal tea, green tea, flavoured tea and Assam tea from India

Nandan Tea Co (Surat) - Retailer and supplier of CTC and small quantity of Orthodox W/L

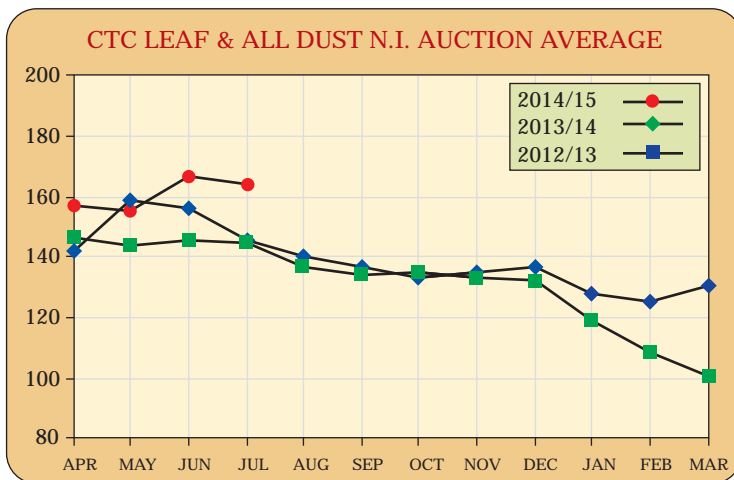


# Contemporary Targett TEA TRENDS

Compiled  
by  
Soumen Bagchi

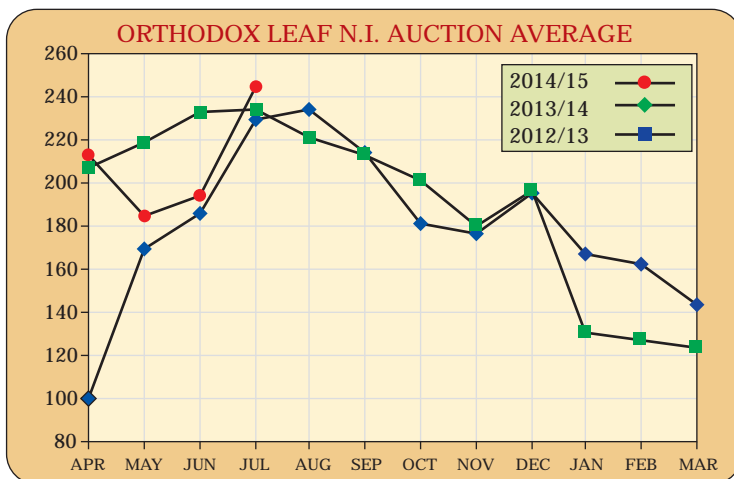
## North India - CTC Leaf & All Dust

Months	2014/15	2013/14	+/-	2012-13
APR	157.14	146.67	10.48	141.89
MAY	155.30	144.11	11.19	158.54
JUN	166.44	145.38	21.06	156.31
JUL	164.42	145.01	19.41	145.31
AUG		136.92		140.12
SEP		134.18		136.65
OCT		135.19		132.98
NOV		132.86		135.22
DEC		132.01		136.85
JAN		119.50		127.99
FEB		108.21		125.02
MAR		100.88		130.91
April/July	162.30	145.10	17.20	150.60



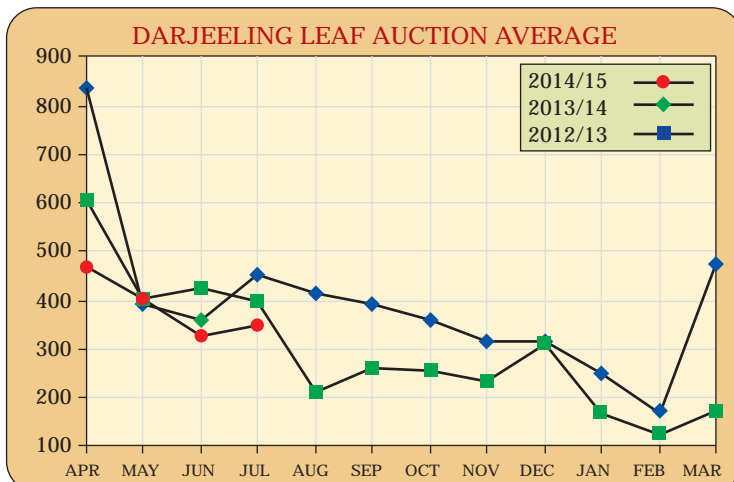
## North India - Orthodox Leaf

Months	2014/15	2013/14	+/-	2012/13
APR	213.53	207.50	6.03	100.07
MAY	184.65	218.62	-33.97	169.77
JUN	193.93	233.15	-39.22	186.45
JUL	245.00	234.21	10.79	229.56
AUG		221.69		234.38
SEP		213.56		214.96
OCT		201.92		181.58
NOV		180.39		176.70
DEC		197.15		195.65
JAN		130.59		167.26
FEB		126.67		162.59
MAR		124.20		143.19
April/July	221.94	229.18	-7.24	200.62



## Darjeeling Leaf

Months	2014/15	2013/14	+/-	2012/13
APR	469.60	608.32	-138.72	838.15
MAY	404.14	404.78	-0.64	394.38
JUN	323.68	422.93	-99.25	361.52
JUL	349.09	396.69	-47.60	452.77
AUG		212.35		416.01
SEP		257.98		393.04
OCT		253.90		356.58
NOV		234.78		315.80
DEC		310.08		315.33
JAN		167.48		250.10
FEB		120.87		166.12
MAR		170.10		472.10
April/July	359.54	422.62	-63.08	420.07



(\*Subject to minor revision)

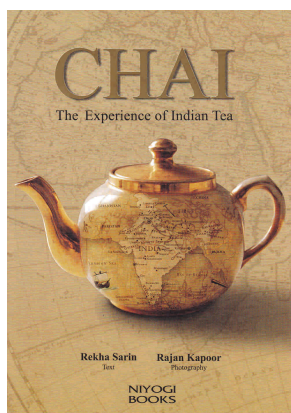


# Chai The Experience of Indian Tea

by Rekha Sarin and Rajan Kapoor

Right from the Preface of the book the reader gets the feeling that it has been put together by two people who are genuinely in love with the brew. Both the text and the photographs bear an intimacy with the subject – be it the close-up of an earthen 'bhnaar' of tea, the pluckers minutely watching as the leaf weighment is carried on or the warmth of a tete-a-tete inside a tea bungalow.

The chapters have been intelligently decided, beginning with the tea experience across India that brings out the barrier-removing nature of tea in India,



In this, our land of social contrasts, tea-drinking culture is a skein that runs through the warp and weft of the multi-ethnic tapestry of Indian society.

where everyone – from the handyman to the most revered guest – is welcomed with a cup of tea. Thereafter, it takes the reader through the history and the contemporary world of tea.



The following chapter on the tea regions of India is particularly colourful, due mainly to the exquisite photographs of gardens and areas surrounding them. Photos of school children making their way through paths within the gardens in the land of Darjeeling tea or the Kashmiri family enjoying *kahwa* in their home are sure to tug heartstrings.

The next chapter on the journey of tea from the leaf to the cup is informative. The reader gets interesting views of lives of the workers along with those of the planters.

The final chapter that includes tea ceremonies and cultures worldwide, interesting teaware, health aspects of tea and a most interesting array of tea recipes is a chiaroscuro. A colourful finale to a colourful book.

Just a little note – the “Firpo's on nearby Park Street, a tea-room that belongs to the days of the Raj,

CHAI The Experience of Indian Tea  
Author : Rekha Sarin & Rajan Kapoor

Publisher : Niyogi Books  
D-78, Okhla Industrial Area, Phase I  
New Delhi 110-020, INDIA

and still has the old world ambience”, mentioned on page 28, should be Flury's, as Firpo's is long gone into history but Flury's continues to enthral tea lovers in Kolkata. And a mention of the Indian Tea Association in the section on *The Contemporary World of Indian Tea* would have enhanced it as the Association's more than 125 year old history is intrinsically woven with that of Indian tea through its ups and downs and some of its most remarkable achievements.

A big thank you to Rekha Sarin and Rajan Kapoor and the publisher Niyogi Books for presenting our favourite brew so delightfully.

Review: Mrittika Bose





# TEA in



A story spanning  
an eventful fifteen  
years



# PAKISTAN

Pakistan has a long tradition of tea drinking that has now become an integral part of the country's social life. The first tea experiments were initiated in the then West Pakistan (present Pakistan) in village Baffa (district Mansehra, NWFP) under the auspices of Pakistan Tea Board in 1958. These efforts were not followed up because tea production in the then East Pakistan (now Bangladesh) met the needs of the nation. Subsequently, efforts to grow tea were reinitiated in 1964 at Misriot Dam near Rawalpindi but due to unfavourable soil and climatic

F S Hamid

Pakistan, Hanif Janoo, IJTS 1:4, 2002). Pakistan is the third largest importer of tea after England and Russia and the consumption is increasing day by day with the increase in population. The quantity and cost of black tea imported during the past ten years is given in Table 1. Tea ranks eighth in the major items imported by Pakistan and its percentage share among the imports during the past ten years is shown in Table 2. Pakistan is importing black tea from nineteen different tea-producing countries of the world. The quantity, cost and percent share of the imported black tea during the last three years is shown in Table 3. Consumption of green tea in Pakistan is very small: it is imported from four different countries. The quantity, cost and percent share of the imported green tea during the last three years is shown in Table 4. The annual per capita consumption of tea in Pakistan is about one kg. In order to conserve valuable foreign exchange spent on importing tea the Government of Pakistan

created a cell for special crops in 1973 and initiated a project called "Research and Introduction of Tea in Pakistan". A soil survey of the prospective tea growing areas of NWFP was carried out in 1982 and was followed up again in 1989 by Chinese tea experts. About 60,000 ha of land was identified suitable for tea growing in Mansehra and Swat districts based on topography, soil and climatic data. On the recommendation of Chinese tea experts National Tea Research Station was set up with their

**Table 1: COST AND QUANTITY OF BLACK TEA IMPORTED IN TEN YEARS**

Year	Quantity (000 kg)	Rs./kg	Value (Rs. In Billion)
1990-'91	104,056	35.92	3.729
1991-'92	110,235	39.06	4.306
1992-'93	125,651	42.87	5.386
1993-'94	116,140	48.39	5.619
1994-'95	116,629	49.68	5.794
1995-'96	114,760	49.73	5.707
1996-'97	85,426	61.09	5.218
1997-'98	98,649	99.52	9.818
1998-'99	119,695	93.15	11.15 0
1999-'00	108,644	100.27	10.89 5
2000-'01	111,867	101.57	12.03 0

Source: Economic Survey 2001-'02, Government of Pakistan



conditions could not achieve the desired results (Annual Report PARC-1996). After the delinking of East Pakistan the entire requirement of tea is imported by Pakistan (Refer Tea imports by



technical assistance on 50 acres (20 ha) of land at Shinkiari, District Mansehra (NWFP) under the auspices of Pakistan Agricultural Research Council (PARC), Islamabad. The Station has been upgraded to the level of institute in 1996. The first black tea processing plant with the capacity of one tonne made tea per day was established at NTRI by PARC with the technical assistance of Chinese Engineers during 2001. NTRI planted tea on 550 acres (220 ha) in small pockets on private land in addition to its 33 acres (seven ha) at the Institute. Meanwhile, the Unilever Pvt. Ltd. also entered in tea plantation business in the same area and established Unilever Tea Experimental Station during 1986. The Company planted tea on 1060 acres (420 ha) on farmers' land and

**Table 2 : Percentage share of tea among the major imports of Pakistan in the ten years**

Commodities	'91-'92	'92-'93	'93-'94	'94-'95	'95-'96	'96-'97	'97-'98	'98-'99	'99-'00	'00-'01
Machinery*	27.0	24.3	22.0	22.8	21.6	23.1	18.9	17.9	13.9	19.3
Petroleum & Products	15.0	15.5	16.1	15.3	16.8	19.0	15.5	15.5	27.2	31.3
Chemicals**	13.1	12.5	14.4	14	15.6	13.4	15.7	16.6	17.5	20.0
Transport Equipments	9.0	12.5	9.7	5.9	4.7	4.7	4.8	5.7	5.5	4.0
Edible Oil	4.4	5.9	5.7	9.6	7.3	5.1	7.6	8.7	4.0	3.1
Iron & Steel	3.5	3.2	3.8	3.6	4.1	3.9	3.2	3.1	3.0	2.6
Fertilizers	2.8	2.5	3.1	1.2	2.9	3.2	2.1	2.8	1.9	1.6
Tea	1.9	2.1	2.2	1.8	1.4	1.1	2.2	2.4	2.0	1.9
Sub Total	76.7	78.5	77.0	74.2	74.4	73.5	70	72.7	75.0	83.8
Other	23.3	21.5	23.0	25.8	25.6	26.5	30	27.3	25.0	16.2
Total	100	100	100	100	100	100	100	100	100	100

\* Excluding transport equipment \*\* Excluding fertilizer

Source : Economic Survey 2001-02, Government of Pakistan

installed a black tea processing plant with the capacity of one tonne made tea. Simultaneously, a pilot green tea processing plant with the capacity of 100 kg made tea was also procured from China and installed with the financial assis-

tance of Pakistan Science Foundation (PSF), Islamabad. Now the Government of Pakistan is planning to commercialise tea plantation through Public- Private Sector in prospective tea growing areas.

**Table 3 : Cost, quantity and percentage share of black tea imported during three years from tea producing countries**

Name of country	Quantity in Tonnes			Cost (Rs. in Millions)			Percentage Black Tea Imports		
	2002-'03	2003-'04	2004-'05	2002-'03	2003-'04	2004-'05	2002-'03	2003-'04	2004-'05
BANGLADESH	5,628	9,830	8,453	399.658	738.46	635.40	5.35	8.41	6.50
BURUNDI	2,697	2,687	3,244	246.337	265.68	285.49	2.56	2.30	2.49
CHINA	1,007	791	3,012	19.641	16.63	101.71	0.96	0.68	2.32
CONGO	15	89	72	-	8.08	5.69	0.01	0.08	0.06
ETHIOPIA	-	681	567	-	51.41	48.69	-	0.58	0.44
INDIA	3,783	6,873	4,991	281.045	445.69	333.58	3.59	5.98	3.84
INDONESIA	8,074	9,258	9,395	533.365	663.61	718.58	7.67	7.92	7.23
KENYA	63,881	65,857	83,176	6368.591	7148.36	8641.36	60.70	57.00	63.95
MADAGASCAR	20	5	23	1.303	0.30	1.76	0.02	0.00	0.02
MALAWI	1,463	1,307	1,434	109.871	103.99	119.17	1.39	0.12	1.10
MOZAMBIQUE	157	2	-	6.689	0.14	-	0.15	0.00	-
NEPAL	-	927	392	1.632	6.47	30.15	-	0.79	0.30
P.N.GUINEA	52	203	153	625.767	9.40	8.47	0.05	4.76	0.12
RWANDA	6,302	5,567	4,752	-	603.51	508.53	5.99	0.17	3.65
SRI LANKA	3,338	3,121	29.7	361.477	389.65	375.70	3.17	2.67	2.23
S.AFRICA	-	11	147	-	1.17	13.01	-	0.01	0.11
TANZANIA	3,073	3,340	2,573	246.519	305.17	216.49	2.92	2.86	1.98
UGANDA	1,840	1,767	2,078	141.085	166.25	180.50	1.75	1.62	1.60
VIETNAM	2,936	3,812	2,029	143.545	220.66	142.14	2.79	3.36	1.54
ZAIRE	12	-	-	0.800	-	-	0.01	-	-
ZIMBABWE	968	812	671	61.403	55.26	48.92	0.92	0.69	0.52
<b>Total</b>	<b>105,246</b>	<b>116,940</b>	<b>127,191.7</b>	<b>9548.728</b>	<b>11199.89</b>	<b>12415.34</b>	<b>100</b>	<b>100</b>	<b>100.00</b>

Source: Pakistan Tea Association Karachi, Pakistan



**Table 4 : Cost, quantity and percentage share of green tea imported during three years from tea producing countries**

Name of country	Quantity In tonnes			Cost (Rs. in Millions)			Percentage of Green Tea Imports		
	1999-2000	2000-'01	2002-'03	1999-2000	2000-'01	2002-'03	1999-2000	2000-'01	2002-'03
Bangladesh	-	94	115	-	9.736	12.190	-	4.82	5.10
China	189	1048	965	6,000	49,474	32,191	80.66	53.71	42.82
Indonesia	27	204	202	1,390	10,591	10,323	11.65	10.44	8.97
Vietnam	18	605	972	0.400	22,466	44,202	7.69	31.03	43.11
<b>Total</b>	<b>234</b>	<b>1951</b>	<b>2154</b>	<b>7,790</b>	<b>92,268</b>	<b>98,906</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

Source: Pakistan Tea Association Karachi, Pakistan

The author is Senior Scientific Officer National Tea Research Institute, Shinkiari, Mansehra, NWFP, Pakistan. Courtesy : www.teascience.org





Aishwarya explaining the impact of meteorological data recording

## Silent contribution to conservation

The commitment of planters to promote ecology is well known as they can ill afford any activity that will spoil the chances of rain, given their dependence on weather for their crop and concomitant prospects. Nevertheless, instances of planters and traders contributing silently but significantly to environmental care through non-plantation activities are less known although they are worthy of emulation throughout the country.

For instance, tourists visit Palaniappa and Sultana Tea Estates, 20 kilometres from Coonoor, to enjoy the magnetising peep into the Western Ghats including Pilloor Dam and Kerala's Silent Valley, besides tea estates and a multitude of crops including spices, herbs, medicinal plants, coffee and trees. Water-bodies, tribal hamlets and traditional temples offer scope for adventure activities including trekking steepes, rock-climbing and rope crossing. Significantly, however, tourists are given a value-addition through a visit to the compact



P S Sundar

# Eco-TEA



Board of Directors meet at Madhava heritage camp site

meteorological observatory inside the estates which helps in weather analysis for plantations and motivating visitors to conserve ecological balance. "We explain to visitors how relative humidity affects farmers' lives with parameters like maximum and minimum temperature as also dry bulb and wet bulb readings using our Stevenson's screen apparatus mounted at specific height over grass unhindered by buildings but covered with louvered sides permitting air circulation", the observatory's Engineer, Aishwarya Ashwin said. She explains to tourists in simple terms how evaporation and rainfall gauges as also wind-speed measured with Anemometer help farmers.

The importance of recording sunshine hours is explained to visitors. In May, for instance, while the rainfall was higher than last year and soil hosted precipitation, tea crop was low compared to last year because of less sunshine hours.

As instances of such units playing significant role in promoting environmental thoughts amidst youth, Sriram Sundaram, MS student of Indian Institute of Science Education and Research, Kolkata, said, "We gained useful insight into essential meteorological science here". Varun Rajesh, engineering student from Quilon, correctly added, "This unit improves farmers' decision-making strategies".

An interesting development is the preference shown by corporates, NGOs and service organisations to hold their meetings and training programmes amidst the sylvan surroundings of tea estates. Some prefer the bungalow facility while others choose the rustic ambience. All enjoy the calm secluded locations in the lap of nature. The Devashola (Nilgiri) Tea Estates Co Ltd., is one such facilitator which has made available for nature-based meetings and trainings its tea estates in



Colacambai, some 22 kilometres from Coonoor. The 360 degree view of nature this picturesque place offers, adds premium to the tea grown there.

“Those who have had business meetings in our facility include film personalities, foreign and Indian corporate executives, multinational company officers and heads of service organisations. Celebrities and up-comers both prefer such facility”, Nalini Lakshman, who guides in-house facilities at Devashola home-stay campsites, told me. “The ambience here is informal easing the rigidity of star-hotel board rooms but conducive for serious business discussions. Our Mango Tree facility is 150 years old, Sultana bungalow is amidst forests, Madhava is a heritage camp-site surrounded by tea gardens, Bison Valley overlooks other valleys while Mupperkadu berths are close to tribal hamlets”, L Ashwin, Devashola Executive Director, said. “At Madhava heritage campsite amidst tea plantations, we have created thatch roof meeting halls and dining facility with coconut palm fronds for walls and roof. There is adequate natural ventilation



Rohan Gupta displaying the plants he grows and the pots he has made

and lighting. Water does not leak during rains. The podium chairs are made from age-old coffee stumps got from this estate itself. A marvellous way to prevent global warming”, Devashola Managing Director M Lakshman added. “There are leisure and health care activities to

supplement business deliberations. Games, trekking and adventure sports are available. To promote ecology, we offer only vegetarian meals and encourage non-smoking ambience”, Ashwin disclosed.

A silent but steady activity was seen among tea trading families promoting environmental care with their children at home. Inculcating habits of 'environmental care' and developing 'wealth from waste' in children can help create a responsible society. This example from a Coonoor boy is a small but sure step towards the promise of a responsible society, worthy of emulation all over India. When you see 10 year-old Rohan Gupta at his house in Gray's Hill Coonoor, you may be reminded of William Wordsworth's popular quote, “The child is the father of the Man”. He studies in class VI in the tea hub of Kotagiri, 18 kilometres away from Coonoor, but whenever he has spare time at home, he works to create several attractive products. On the balcony, he has displayed many tiny pots he has made with paper covers and even socks into which he has planted

flowers and vegetables like channa, methi and beans. He also does terrace gardening with regular pots. He is adept at field practices including watering and applying manure. He has created several handmade artworks mostly from wastes – slippers, postal envelope holders, lamp shades, gift envelopes, penholders and dolls, toy ships, cars and garden chairs.

“I learnt to make these from my grandmother Sunita Gupta and am happy to help others learn it”, Rohan, son of Rajesh Gupta, Managing Director, Global Tea Brokers, said. Many elders and children benefit from his teaching!

An important recognition to a tea growing family of Jagathala village, some eight kilometres from Coonoor, has happened with the son of the family being honoured with the prestigious 'Aryabhata' Award in the USA. 'Aryabhata' is an annual award for excellence in Indian Division of Sciences instituted by The Association of Ayurvedic Professional of North America (AAPNA). Dr Shanmugamurthy Lakshmanan, who hails from this village, is a strong promoter of ecology with accent on mixing Physics with Ancient Indian Science creating a platform for nature-based living. AAPNA has honoured him with this coveted title in recognition of his excellence in Ayurvedic Research. His research in Ayurveda is part of his work in Ancient Indian Science. His thrust is to bridge ancient concepts with modern technology. He has established peer-reviewed international technical journals titled “Ancient Science' and 'Ayurveda' in collaboration with Yale University and Vedic Research International, USA.

His work has a great relevance to all including tea growers and environmentalists. “I was presented this Award for finding a new paradigm to explain 'Tridoshas' using a modern framework and for finding 'Agnikarma Nano-needle' – a new device that combines an ancient concept called 'Agnikarma' and modern nanotechnology for drug delivery and sensing purposes”, Dr Shanmugamurthy Lakshmanan said. Sri Sri Ravi Shankar, Founder of Art of Living Foundation, released his book, *Unravelling the Ayurvedic Mystery*, while distributing the Award in USA. “I am presently researching on 'Nanotechnology and Siddha- Ayurveda Photo-medicines' at Harvard Medical School, Massachusetts” said Shanmugamurthy Lakshmanan who has also developed a package of proposals for changing the education system in India incorporating thrust on environment, ancient science and modern technology which he expects to present to Prime Minister Narendra Modi during the latter's visit to the USA. “This will be a tea farmer's view of the global education system!”, noted the farmer-scientist who has introduced ancient agriculture and food technology through community vegetable gardens and kitchen concepts in the USA.

Photos : Author





## Mohani Tea – new developments and growth plans

### Growing ahead

Mohani Tea plans to double its growth in the next five years. Having established a strong presence in Uttar Pradesh, Uttarakhand, Madhya Pradesh and Punjab, it has entered Delhi, Bihar and Jammu & Kashmir and is set to extend its reach to Rajasthan, Himachal Pradesh and Haryana. “We want to cover the Hindi belt by 2015 and then focus on Maharashtra and south India with differentiated products that suit local tastes and preferences,” informs Ramesh Aggarwal, MD, Mohani Tea.

Since Delhi and J&K are relatively new markets, the company is keen to increase its distribution there. The market for branded tea is growing and is ready to accept new products that offer quality and value for money. Mohani Tea is confident of having a national presence in the years to come.

### Private Label supplier

The company is a supplier to several big retailers. It has an exclusive ‘contract manufacturing’ with Bharti Walmart, Future Group, and other retail chains in India. It is also a supplier to various government and semi government institutions like Indian Defence, Kendriya Bhandar, and other state-owned organisations. “Such association with chain retailers and organisations gives us brand visibility and a wider reach. It also enhances our credential and reputation in the market,” says Aggarwal.

He informs that the private label segment contributes significantly to the company's overall volume and is growing faster than general trade. “We are market leaders in this segment, and are constantly

endeavouring to tap more organised retailers as we see a huge potential for private label in India in the next few years.”

The company's PL business that started in 2009 has seen 30 percent year on year growth. “We follow three rules – no complaints from customers, competitive price and on time fill rate (our fill rate is 98%). We will be having more tie-ups in the coming months with brands such as Gaia (for supplying flavoured tea), Himalaya Company and Apollo Pharmacy (for green tea, flavoured and functional tea like anti-aging tea).

### Strengths

Mohani Tea is considered a pioneer amongst regional packaged tea brands in India. Apart from its in-house tea tasting, buying and blending facility and a packaging unit, Mohani Tea has a laboratory for post-production quality checks. With a wide portfolio that caters to different tastes and price points, the

#### Mohani's Reach

- ✓ 15% in Uttar Pradesh
- ✓ 20% in Uttarakhand
- ✓ 5% in Madhya Pradesh
- ✓ 8% in Punjab
- ✓ Annual turnover : Rs 275 crore
- ✓ Growth rate : CAGR of 20% over the last 5 years
- ✓ Targetted revenue : Rs 400 crore in the next two years
- ✓ Distributors : 1,000 distributors, C&F, super stockists covering three lakh retailers



brand produces 100 metric tonne of tea per day at its facility in Kanpur where it has two factories and plans to set up another in Rania, (25 km from Kanpur) with a capacity to produce 200 metric tonne of tea daily. In addition, they have storage capacity of 20,0000 sq ft to procure premium quality tea.

The company was awarded the Most Promising Brand award by ASSOCHAM in 2013. Aggarwal informs that the winning factors were the company's continuous volume growth, focus on meeting requirements of rural and suburban consumers, consistent quality and affordability, supply chain management and customer service. "Wal-Mart recognised our 'world class' customer orientation and honoured us with the 'Supplier of the Year' award in 2012."

### New developments

New developments in the company include establishing an export division for the value added as well as bulk tea segments; catering to the HoReCa



Ramesh Aggarwal, MD, Mohani Tea

and Nigeria to which we will be supplying black tea, Assam tea and flavoured tea. Since pre-Independence, these countries have been associated with Indian tea and they are familiar with our flavours and there is demand for them. After Africa we will concentrate on Russia, China, Bangladesh, Middle Eastern countries and Kazakhstan.

### Markets

Mohani Tea has a strong presence in rural markets with 75 percent revenue coming from there and the rest from urban markets. In Kashipur village in UP, the company enjoys almost 50 percent market share. "We will keep rural markets as one of our prime focus areas as there is a huge growth potential there. The rural market is changing; people here are becoming aware of products that offer value for money and are more discerning of brands. Our teas start from Rs 54 for a 250 gm pack, and give complete value for money,"



sector with a special classic blend of tea with a moderate flavour, developing jasmine, chamomile, and fruit flavoured teas, introducing tea bags, green and other premium teas in the near future. It will soon be opening tea lounges in tier two and three cities to promote tea consumption, particularly among the youth. The tea lounges will be designed as places for relaxation over a cup of tea and light snacks. Facilities for the young target audience will include a free wi-fi and a iPad on each table. "We will open our first tea lounge in Noida, then move on to Kanpur, Benaras, Ludhiana and Jalandhar."

Mohani Dhaba Hotel brand of tea is primarily catering to the conventional trade with focus on local tea shops, *dhabas* and smaller restaurants frequented by truck drivers who prefer strong flavoured tea.

"Our export division started three months ago, starting with West African countries like Niger, Mali,

claims Aggarwal. "When entering a new market, we do an in-depth market research to learn about regional bench marking, quality and taste preferences."

Mohani Tea has adopted an aggressive 360 degree marketing strategy using advertising, PR, social media, hoardings, wall paintings and in-shop branding. An innovative campaign using e-rickshaws (in rural areas) generated a lot of interest. "We have about 10 e-rickshaws in some districts of UP, Utrakhand, Delhi and Punjab and are also using decorated buses which play digital films and really pull crowds."

"Tea consumption has been steadily growing but there is need for an organised campaign to build awareness about health aspects of tea. For this, we are in talks with the Tea Board of India to dedicate a day as 'National Tea Day'. This will not only help promote tea as a beverage but also leverage our brand," he concludes.

# FACTS & FIGURES

## ESTIMATED PRODUCTION OF TEA IN INDIA During & Upto June 2014

(In million kgs)

District/State	DURING			UPTO		
	2014	2013	+ / -	2014	2013	+ / -
Assam Valley	64.47	69.98	-5.51	142.08	162.99	-20.91
Cachar	5.90	4.58	1.32	13.32	11.85	1.47
<b>Total Assam</b>	<b>70.37</b>	<b>74.56</b>	<b>-4.19</b>	<b>155.40</b>	<b>174.84</b>	<b>-19.44</b>
Doors	22.25	19.18	3.07	55.49	55.30	0.19
Terai	14.40	14.28	0.12	38.82	41.70	-2.88
Darjeeling	1.19	1.52	-0.33	3.05	3.73	-0.68
<b>Total West Bengal</b>	<b>37.84</b>	<b>34.98</b>	<b>2.86</b>	<b>97.36</b>	<b>100.73</b>	<b>-3.37</b>
Others	3.07	2.64	0.43	7.52	6.98	0.54
<b>Total North India</b>	<b>111.28</b>	<b>112.18</b>	<b>-0.90</b>	<b>260.28</b>	<b>282.55</b>	<b>-22.27</b>
Tamil Nadu	21.24	19.10	2.14	84.30	83.57	0.73
Kerala	8.06	5.11	2.95	32.92	29.88	3.04
Karnataka	0.74	0.47	0.27	3.43	2.76	0.67
<b>Total South India</b>	<b>30.04</b>	<b>24.68</b>	<b>5.36</b>	<b>120.65</b>	<b>116.21</b>	<b>4.44</b>
<b>All India</b>	<b>141.32</b>	<b>136.86</b>	<b>4.46</b>	<b>380.93</b>	<b>398.76</b>	<b>-17.83</b>

## INDIAN TEA EXPORTS

Figures in M.Kgs

### QUARTERLY

MONTHS	2014-'15*	2013-'14	+ / - QUARTER	+ / - TO DATE
April-June	35.13	35.88	-0.75	-0.75
July-September		59.82		
October-December		70.66		
January-March		59.40		
<b>April-March</b>	<b>35.13</b>	<b>225.76</b>		

### REGION-WISE

Region	April'14 - June'14	April'13 - June'13	Variance (+ / -)
North India	17.36	17.16	0.20
South India	17.77	18.72	-0.95
<b>All India</b>	<b>35.13</b>	<b>35.88</b>	<b>-0.75</b>

\* Provisional and subject to revision.

Source : Tea Board



## Crop Figures of Some Major Tea Producing Countries in Million Kgs

2014	N. India	S. India	Sri Lanka	Bangladesh	Kenya	Malawi	Uganda	Total
January	5.0	17.1	25.5	0.2	44.9	8.2	4.8	105.7
February	1.8	13.9	22.5	0.6	33.7	6.1	2.5	81.1
March	36.1	17.5	25.6	0.5	33.3	7.4	2.7	123.2
April	40.2	16.5	29.0	2.7	39.9	6.4	5.2	139.9
May	65.9	25.5	39.1	4.6	41.1	4.6	2.7	183.5
June	111.3	30.0	30.7	8.1	31.9	2.2	1.7	216.0
July								
August								
September								
October								
November								
December								
<b>Total</b>	<b>260.3</b>	<b>120.7</b>	<b>172.4</b>	<b>16.7</b>	<b>224.8</b>	<b>34.9</b>	<b>19.7</b>	<b>849.4</b>
2013	N. India	S. India	Sri Lanka	Bangladesh	Kenya	Malawi	Uganda	Total
January	2.9	19.1	23.2	0.2	45.3	6.0	6.1	102.8
February	0.9	12.3	24.9	-	38.5	5.1	4.4	86.2
March	32.7	15.2	32.2	0.5	33.4	6.6	4.1	124.6
April	54.9	20.3	33.6	2.2	38.2	5.5	6.3	161.0
May	79.0	24.6	33.7	5.2	39.6	4.7	6.4	193.2
June	112.2	24.7	24.7	6.9	30.5	2.3	5.0	206.2
July	138.3	16.9	22.7	9.0	26.2	1.7	3.4	218.1
August	140.8	14.6	26.6	9.1	26.3	1.8	2.7	221.9
September	132.2	24.2	25.0	8.9	32.8	2.7	3.4	229.2
October	140.1	25.0	30.3	8.9	44.3	3.2	3.2	254.9
November	85.4	27.0	29.8	7.9	35.5	2.8	3.8	192.2
December	39.3	17.9	30.2	4.4	41.7	4.0	2.6	140.0
<b>Upto June</b>	<b>282.6</b>	<b>116.2</b>	<b>172.2</b>	<b>15.0</b>	<b>225.5</b>	<b>30.2</b>	<b>32.3</b>	<b>874.0</b>
<b>TOTAL</b>	<b>958.6</b>	<b>241.8</b>	<b>336.7</b>	<b>63.2</b>	<b>432.4</b>	<b>46.4</b>	<b>51.4</b>	<b>2130.5</b>
Variance	N. India	S. India	Sri Lanka	Bangladesh	Kenya	Malawi	Uganda	Total
January	2.1	-2.0	2.3	0.0	-0.4	2.2	-1.3	2.9
February	0.9	1.6	-2.4	0.6	-4.8	1.0	-1.9	-5.0
March	3.5	2.3	-6.6	0.1	-0.1	0.8	-1.4	-1.4
April	-14.7	-3.7	-4.6	0.5	1.7	0.9	-1.1	-21.1
June	-13.2	0.9	5.4	-0.6	1.5	-0.1	-3.7	-9.7
July	-0.9	5.4	6.0	1.2	1.4	-0.1	-3.2	9.8
August								
September								
October								
November								
December								
<b>Total</b>	<b>-22.3</b>	<b>4.4</b>	<b>0.2</b>	<b>1.7</b>	<b>-0.7</b>	<b>4.7</b>	<b>-12.6</b>	<b>-24.7</b>

\* Revised figures as per Tea Board of India (N. India and S. India)

Compiled by Soumen Bagchi  
Contemporary Brokers Pvt. Ltd.





Container port; (right) busy pluckers



# Tidings from BANGLADESH



Monjur Hossain

## Bangladesh tea industry facing new crisis

**B**angladesh Tea Association (BTA) recently demanded the government to reinstate 20 percent Supplementary Duty, imposed earlier on imported tea, to safeguard the local tea producers and protect them from uneven competition. BTA leaders, led by its Chairman M Safwan Chowdhury, put forward their demands in a letter sent to Finance Minister AMA Muhith at his secretariat office. The BTA in the letter mentioned that the import of cheap and substandard tea has been on the rise since 2010, which has led the country's tea industry to an uneven competition and caused concern for the local tea producers.

Following a request from the BTA, the government had earlier imposed 20 percent Supplementary Duty on imported tea to shield the local tea industry, which was reflected in the Finance Act in 2012 and the proposed Finance Bill, 2013. But the 20 percent Supplementary Duty was withdrawn from the Finance Bill, 2013 just before passing of the national budget for fiscal 2013-'14.

The Association noted that the

import of substandard tea in recent times is on the rise as the import of tea totalled 10.62 mkg. It was only 1.92 mkg in 2013, due to imposition of 20 percent Supplementary Duty. Before that tea import totalled 4.98 mkg in 2011 and 4.13 mkg in 2010. It was also noted that the weekly tea sale has been declining alarmingly in the last season. The average auction price in the first sale (30.4.2013) was Tk 274.98 per kg which came down to Tk 143.12 per kg in the 39th sale (18.2.2014). This year up to Sale 11 the average price is TK

180.87 per kg as against TK 268.85 per kg in the last season. As a result, some 50-60 percent tea remains unsold. The quantity of unsold tea is mounting while per kg auction price is declining gradually.

The Bangladesh Tea Association leaders also feared that if the downward trend of tea sale continues further, the tea sale price would go much below the production price, which would have a serious impact on the local tea industry.

In Bangladesh, duty structure on tea import is as below:

2012-'13 (July '12 - June '13)		2013-'14			
		July '13 to April '14		April '14 to June '14	
Duty and Taxes	Rates	Duty and Taxes	Rates	Duty and Taxes	Rates
Customs Duty	25%	Customs Duty	25%	Customs Duty	25%
Regulatory Duty	5%	Regulatory Duty	5%	Regulatory Duty	15%
Supplementary Duty	20%	Supplementary Duty	-	Supplementary Duty	-
Value Added Tax	15%	Value Added Tax	15%	Value Added Tax	15%
Advance Income Tax	5%	Advance Income Tax	5%	Advance Income Tax	5%
Pre-Shipment Inspection	1%	Pre-Shipment Inspection	1%	Pre-Shipment Inspection	1%
Advanced Tread Vat	4%	Advanced Tread Vat	4%	Advanced Tread Vat	4%
Total Tax Incidence (TTI)	92%	Total Tax Incidence (TTI)	60%		72%



Bangladesh's neighbouring country India is one of the largest tea producing and exporting countries. India produces 1,126 mkg tea annually, from which 872 mkg was consumed internally and 202 mkg exported in 2012. Although India has a strong economy she still imposed 110% duty on tea import.

In a recent study it was found that there was a great impact in the market due to the decrease of duty on tea import in Bangladesh. The salient observation of the study was :

Producers' loss due to import of tea :

Tea production in 2013	66.26 M Kg
Before relaxation of Supplementary Duty (Up to June 2013) tea sold	6.60 M Kg
Net unsold tea	59.66 M Kg
End of June 2013 Sale No. 9 (26/6/2013) average price of tea	Taka 272.53
End of April 2014 Sale No. 49 (30/6/2014) average price of tea	Taka 191.12
Net loss per kg	Taka 81.41
Due to decrease of tea price in auction, tea producers' loss	Taka 485.69 Crore

On the other hand Government also earned less revenue due to the relaxation of Supplementary Duty which was calculated at about Taka 121.03 crore.

The study observed another implication that, after relaxation of Supplementary Duty importers have imported low category tea from abroad. It has no impact on the retail price of

internal tea market. Consumers have to buy tea at the earlier price. So, the tea consumers have been cheated by having to pay high price for low category tea.

Due to import of tea from abroad, domestic tea price is decreasing. As a result, tea remains unsold in the auction. In the year 2013 unsold tea was 5.85 mkg. The production cost of these unsold tea is 150 TK per kg whereas in auction the maximum price was TK 40 to TK 50. Small tea farmers, bought leaf tea factory owners and small and under developed tea estate owners have no economic capacity to recover such a loss. They have to come out from the tea industry, to survive which would cause short, medium and long term adverse effects on the tea industry of Bangladesh. If such a situation continues, timely payment of salary and allowances of labourers and employees engaged in this industry would not be possible. Over a longer period the tea industry will be in a great crisis.

For the last few years tea production had increased due to good price. But due to import of low category tea, auction price of domestically produced tea has been decreasing, causing decrease of income of the tea producers. This may result in decreasing investment. Due to relaxation of Supplementary Duty on tea import, price of domestically produced tea has decreased and price of green tea produced by small tea holders has also decreased from TK 25 in 2013 to TK 20 in 2014.

To protect the tea industry of Bangladesh, industry experts are of the opinion that import duty at 110% should be imposed as is being done by our neighboring country. For the development of the domestic tea industry, we should set barriers for importing tea and procure sanctions of long term low interest bank loans. If we fail to reduce import of tea, government will lose its duty and tea producers will incur loss due to inadequate price. Domestic consumers as well as macro economy of the country will be affected due to use of foreign remittance for import of tea. If tea import continues, self-sufficiency will not come and dependence on foreign import will increase.

*The writer is Managing Director PMTC (Bangladesh) Limited*



# A storm in a TEA CUP

A battle of teas between two strong men



Vivek Sahay

The year was 2000. I recall the day Director, Central Bureau of Investigation or DCBI walked into my office in Salt Lake, Calcutta. Like most police chiefs, he was quirky. He always wore a cap woven out of bamboo, a fad picked up from his early days when Mizoram was still a part of Assam. It was shaped like Sherlock Holmes'.

"Sir, Vivek would like to offer a cup of tea if it is okay with you," the accompanying Joint Director asked him politely.

The DCBI turned right to look at him with an air of indifference, imperiousness and uninterestedness. He fanged a mock smile and replied, "Thank you, Dr. Biswas, but you see, I'm very fussy when it comes to tea."

"When I was Director General of Police, Sikkim, someone presented me with tea from Temi Tea Garden of Sikkim. Its taste has completely spoilt me. I can't

take tea from here and there," he proceeded to add, probably as an explanation for this refusal. I felt there was no reason to do so except to show off.

"Here and there, my foot!" I said to myself.

One may be a DCBI but this does not entitle him to be so arrogant. If access to supply of tea from a solitary tea garden could make him snobbish, then I, till the other day Superintendent of Police of Darjeeling with its 86 gardens which produced the Champagne of teas, could very justifiably be insufferably sniffy – and also extremely miffed at this slight.

"Even I am fussy," I announced aloud, without batting an eyelid, and thus crossed the Rubicon in the Battle of Teas to await the

Empire strike back.

There was pin drop silence. The Joint Director put a hand to his left

ear, feigning he had not heard me. The Deputy Inspector General of Police looked like a terror stricken kitten, and turned towards the DCBI with a "Sir, I am not responsible for this young officer's impudence" look. The Chief, momentarily stunned, craned his neck towards me, his eyes seeming to race down his nasal ridge to deliver a punch, and just when it appeared that he was going to blow his top, he sank back to his original posture.

"Okay, let us have tea, Vivek", he said and smiled.

The air had become lighter. The DCBI drank two cups of the finest autumn flush from Ging Tea Estate, graciously conceded that he could not compete with the tea sensibilities of a Darjeeling man, thanked me, handsomely tipped my canteen boy and went away. The terror stricken DIG was relieved that his job was still intact. Phew!

The author is IGP - CRPF





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### Brief History

The firm was originally registered as Contemporary Tea Company Private Limited in 1975 and it began to assist producers in selling tea by February 1978. The beginning evoked a great deal of interest and excitement. It held its first auction in Calcutta in April of the same year.

This new entrant to broking was founded in response to the trade's needs of service. It would be interesting to recall that one of the four major Calcutta auctioneers, namely, W.S. Cresswell was declining rapidly. There were rumours that its finances were in a turmoil and therefore its days were numbered. As it happened, Cresswell collapsed in 1978 leaving behind a debt of some 65 lakh rupees, a much bigger figure than would appear today after two decades of inflation.

In the several years following 1981, when the first tea auction was held in Calcutta, four brokers came into being. One of these was Cresswell, whose sad story we have just told. There was yet another of the quartet which was also showing signs of emaciation. It was losing business, as it were, by the month and its chief executive was going around appealing to producers to support him.

Marketing has often been defined as the exchange of satisfaction for money. Success would do well to be achieved by the exchange of discipline for...

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### Important Information

- Testing Laboratories
- Tea Waste control Order -1959
- Tea Warehouse Licensing Order -1989
- Tea Marketing Control order -2003
- Tea Distribution Export Control Order-2005
- Tea Act and Rule
- Revised Guidelines for registration of Factory including BLF
- Plantations Labour Act amended
- PFA Act & Rules
- LIST OF NABL ACCREDITED LABORATORY FOR TESTING TEA UPDATED
- List of Insp Ag under TDEC D5
- HACCP

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Our single minded focus is on how best to achieve a remunerative exchange of the seller's tea for the buyer's money.

The medium has largely been the auction which is a great bazaar that receives tea and spontaneously distributes it to whichever buyer in the world that wants it.

Transparency, fairness and punctuality of payment have been our instance. We propose to meet changes as they take place like the switch to E-auction.

INTRODUCTION	BUSINESS	REFERENCE	LEISURE
About Us	Kolkata	Statistics	Contemporary Tea Time published quarterly since 1989.
Brief History	Guwahati	Company Profile	Gallery of photographs
	Siliguri		

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