



The Cochin Dispatch

Dust Sale No. 9 • 25 February 2014

It's time to take our tea beyond Karachi and St. Petersburg.

In the ninth Cochin dust sale of the year, 82% of the offerings were sold at an average price of \$1.78 (-5¢, -2.8%). Teas not under the purview of the major blenders languished, especially during the later part of the auction.

	Sale No. 8 18 Feb 2014 (previous sale)	Sale No. 9 25 Feb 2014 (this sale)	Sale No. 10 4 Mar 2014 (next sale)
Total Qty. Offered	1,088,587 kgs	1,091,173 kgs	947,612 kgs
Total Qty. Sold	921,768 kgs (85%)	879,917 kgs (80%)	—
Total Qty. Unsold	166,819 kgs (15%)	211,256 kgs (20%)	—
Average Price	\$1.83	\$1.78	—

Key Observations

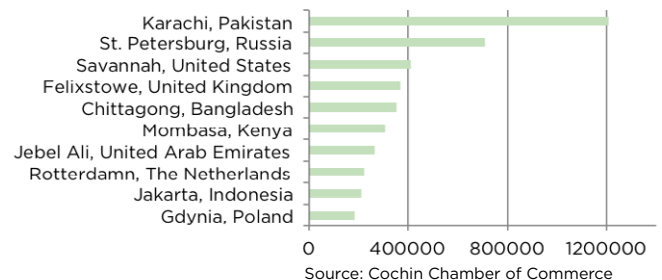
1. In the *Best* category, popular marks continued their retreat (-3-5¢) after the brief surge in January. *Good* liquoring teas also held barely steady to lower (-1-3¢). The market was ruthless on inferior lots as withdrawals were continuously noticed. *Medium* and *Plain* teas followed the trend, mostly due to subdued export demand.
2. As with last week, the Majors (Active: AVT, KSCS, Unilever, Tata Global Beverages) found themselves mostly alone in steadying the market. Upcountry buyers lent fair support.
3. The offering in the 10th dust sale will be 947,612 kilograms, a heavy 13.2% week-on-week reduction.

Highlight

As the Cochin Auction ekes out a roadmap to survive and, perhaps, stakes its claim as one of the great centers, the one thing it desperately needs to do is expand its export portfolio.

Almost a third of outbound container traffic in December 2013, as the table below illustrates, was to Karachi and St. Petersburg, equal to the sum of the remaining 8 in the top 10 destinations. Karachi, alone, counted for a fifth of the total.

Cochin Tea Exports: Top Destination Ports
 Quantity (kgs), December 2013



As Karachi continued its love story with Mombassa in the past two weeks, it is no wonder the exporters were relatively subdued. The gospel of the value of South Indian tea must be preached beyond these two shores on a priority basis.

Sale History

Week-on-week and year-on-year comparative low-high Cochin CTC Dust prices in US Dollars.

BEST	Sale No. 9 2014	Sale No. 8 2014	Sale No. 9 2013	Sale No. 9 2012
PD	1.57 - 1.83	1.53 - 1.82	2.00 - 2.14	1.51 - 1.90
RD	1.68 - 2.04	1.74 - 2.11	2.03 - 2.81	1.75 - 2.06
SRD	1.86 - 2.22	1.92 - 2.24	2.11 - 2.81	1.90 - 2.22
SFD	1.99 - 2.40	2.03 - 2.44	2.14 - 2.81	1.98 - 2.38

GOOD	Sale No. 9 2014	Sale No. 8 2014	Sale No. 9 2013	Sale No. 9 2012
PD	1.47 - 1.55	1.45 - 1.63	1.92 - 2.03	1.41 - 1.61
RD	1.55 - 1.71	1.56 - 1.71	1.98 - 2.12	1.41 - 1.71
SRD	1.65 - 1.98	1.69 - 2.03	2.01 - 2.14	1.47 - 1.77
SFD	1.76 - 1.99	1.80 - 2.05	2.03 - 2.20	1.69 - 1.94

MEDIUM	Sale No. 9 2014	Sale No. 8 2014	Sale No. 9 2013	Sale No. 9 2012
PD	1.31 - 1.44	1.33 - 1.46	1.85 - 1.92	1.41 - 1.45
RD	1.34 - 1.60	1.38 - 1.66	1.87 - 2.00	1.41 - 1.47
SRD	1.40 - 1.63	1.46 - 1.71	1.83 - 2.03	1.41 - 1.49
SFD	1.50 - 1.75	1.54 - 1.77	1.92 - 2.05	1.49 - 1.65

PLAIN	Sale No. 9 2014	Sale No. 8 2014	Sale No. 9 2013	Sale No. 9 2012
PD	1.24 - 1.39	1.22 - 1.38	1.61 - 1.77	1.25 - 1.39
RD	1.22 - 1.39	1.22 - 1.38	1.61 - 1.77	1.27 - 1.39
SRD	1.31 - 1.40	1.30 - 1.41	1.72 - 1.88	1.33 - 1.45
SFD	1.34 - 1.44	1.27 - 1.45	1.77 - 1.92	1.35 - 1.57

Export Catalog

Brooklyn Beverages' prices (per kg) are pegged to the performance of our grades at the most recent Cochin Tea Auction, Dust Sale No. 9, 25 Feb 2014. Prices (Ex. Kochi) are good till the next auction sale, 4 Mar 2014. For FOB-Kochi pricing, please see the upcharge estimate at the below right.

In addition, we offer two blended standards (BP to BOPF)—*Periyar* and *Chinnar*—which serve as guidance to importers seeking to avail private labeling services. These are based on our own award-winning consumer brand *Chinnar*, which is renowned in the local market.

Black Tea

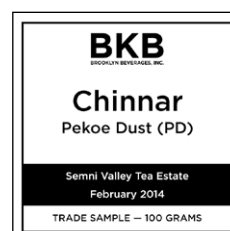
Grade	Sack	Mark	Density (cc)	Price	Change
Pf1/Fngs/D2 (Mixed)	55 kg	Brooklyn	175 - 195	\$1.62	+2¢
Pekoe Dust (PD)	55 kg	Periyar/Haileyburia	185 - 200	\$1.42	-3¢
		Chinnar	180 - 195	\$1.78	-2¢
Red Dust (RD)	57.5 kg	Periyar/Haileyburia	180 - 190	\$1.48	-1¢
		Chinnar	165 - 190	\$1.92	+8¢
BOPF-CTC	52 kg	Periyar	205 - 220	\$1.54	+2¢
		Chinnar	195 - 225	\$1.90	none
Super Red Dust (SRD)	61 kg	Periyar	165 - 180	\$1.55	-5¢
		Chinnar	160 - 175	\$2.02	+5¢
Super Fine Dust (SFD)	63 kg	Periyar/Haileyburia	155 - 165	\$1.68	-4¢
		Chinnar	150 - 160	\$2.38	-1¢

Standard Blends

Grades	Packaging	Blend	Price
BP to BOPF	Bulk, 1 kg, 500 g, 250 g	Periyar Std.	\$1.85
		Chinnar Std.	\$2.15

FOB Upcharge Estimate

	1x 20 Foot Container	1x 40 Foot Container
Warehousing	₹ 12,432.00	₹ 24,864.00
Inland Freight	₹ 15,000.00	₹ 20,955.00
THC	₹ 7,800.00	₹ 10,900.00
B/L Fee	₹ 2,000.00	₹ 2,000.00
Custom Clearance	₹ 16,500.00	₹ 21,500.00
Subtotal	₹ 53,732.00	₹ 80,219.00
Service Tax (12.5%)	₹ 6,716.50	₹ 10,027.38
Total (INR)	₹ 60,448.50	₹ 90,246.38
Total (USD)	\$990.96	\$1,479.45
Total Weight (kg)	11,000	22,000
Cost per Kilogram	\$0.09	\$0.07



Ask for Samples

The difference is not only in the price but also in the taste.