



Tea Exports Decline

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Why in News

Recently, the exports of **tea from India registered a decline** of around 14.4% in the first seven months (January-July) of 2021 as compared to the same period in 2020.

Key Points

- **About:**

- Total exports during January to July of 2021 was 100.78 million kilograms as against 117.56 million kilograms in the same period of 2020.
- The **CIS (Commonwealth of Independent States) block remained the largest importer** of tea at 24.14 million kilograms, down from 30.53 million kilograms in the previous similar period.

The only exceptions are **USA and UAE where exports registered an increase** this period of 2021.

- **Reasons of Decline:**

- **US Sanctions on Iran:**

Exports to Iran, which was once a big buyer of Indian tea, was lower due to the **sanctions by the U.S.**

- **Non-Availability of Containers:**

The other prime reason is **non-availability of shipping containers** which have become very expensive during the **Covid** times.

- **Availability of Low-Cost Varieties:**

Due to the availability of low-cost varieties in the global market **and amid trade restrictions in countries** that have traditionally been strong importers.

- **Low Prices of Other Tea:**

- Indian exports have suffered in the last two-three years due to very **low prices of Kenyan and Sri Lankan tea.**
- Kenyan tea auction price average is much less than the Indian auction average.

- **Domestic Consumption:**

About **80% of it produced in India is sold for domestic consumption**, as per a 2018 'Executive Summary of Study on Domestic Consumption of Tea' published by the Tea Board.

- **Stopping Exports to Pakistan:**

Exports to Pakistan, a major market for Indian tea, have also stopped since the last three years following escalation of tension between the two countries.

- **Pandemic-Induced Economy:**

The **coronavirus**-induced economy has resulted in several commodities' **low production and imbalance mechanisms** of the Indian economy. This has impacted exports of India's tea along with other significant reasons.

Tea

- **About:**

Tea is **a beverage made from the Camellia sinensis plant.** It is the world's **most consumed drink**, after water.

- **Origin:**

It is believed that **tea originated in northeast India, north Myanmar and southwest China**, but the exact place where the plant first grew is not known. There is evidence that tea was consumed in **China 5,000 years ago.**

- **Conditions of Growth:**

- **Climate:** Tea is a tropical and sub-tropical plant and **grows well in hot and humid climates.**
- **Temperature:** The ideal temperature for its growth is **20°-30°C and temperatures above 35°C** and below 10°C are harmful for the bush.
- **Rainfall:** It requires 150-300 cm annual rainfall which should be well distributed throughout the year.
- **Soil:** The most suitable soil for tea cultivation is **slightly acidic soil (without calcium) with porous sub-soil** which permits a free percolation of water.

- **India and Tea Production**

- The **largest consumer** of tea in the world.
- The **second largest producer** of tea in the world.
China is the largest producer.
- The **fourth largest exporter** of tea in the world.

- **International Tea Day:**

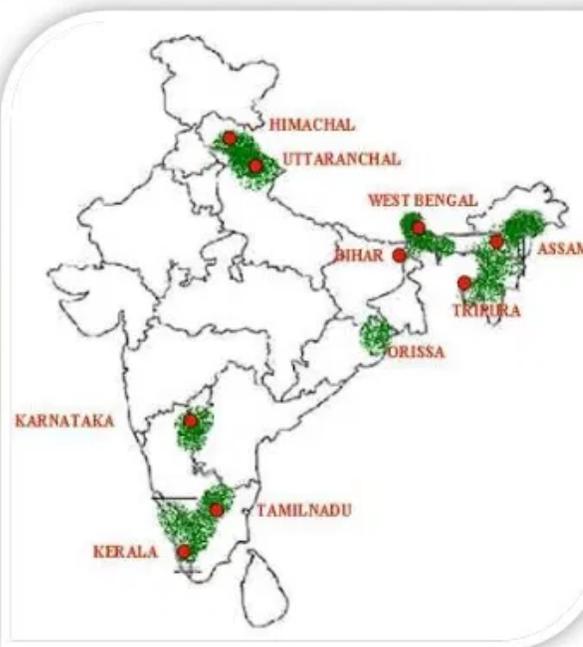
It is **observed on 21st May** every year after it was designated by the **United Nations General Assembly** in December 2019.



Major 3 Tea producing regions:

1. Darjeeling (North-Eastern India)
2. Assam (far North-East India)
3. Nilgiri (South India)

All 3 differ in style and flavour.



Source: TH