



TEA BOARD
14 B. T. M. Sarani
Kolkata-700 001

Ref No: Circular/LC/Auctions/2020-21/

21st April, 2020

CIRCULAR

To,
All Auction Organisers

In view of the COVID-19 outbreak, tea gardens and manufacturing units across the country has witnessed stoppage in production for the last one month. Activities in the garden and the production of tea in manufacturing units have started as per direction of the Government in all the tea growing regions. In view of restrictions, maintenance of social distancing norms and the fact that the industry has to function with 50% of available labour force (25% in West Bengal) output from the gardens may fall further. At present it is expected that the industry will face a loss of 115-120 Mkgs during the initial period of lockdown.

In view of this serious disruption it has become necessary on the part of the industry and Tea Board to initiate certain steps which will help to minimize and prevent further loss to the industry as well as maintain sufficient cash flow in the system. This can only be achieved by facilitating quick movement of teas within the system, i.e. from garden to consumers by reducing the turnaround time at every step.

Since auctions are always considered as the primary mode of marketing teas, Tea Board proposes that the following steps to be implemented across all auction centres, subject to permission from respective State Governments with regard of movement of teas, functioning of warehouses, etc:

- Sufficient reduction of turnaround time with regard to arrival of teas at the warehouses for auction sale. This will help in improving cash flows of the manufacturers and will also encourage manufacturers to offer more teas in the auction, thereby increasing healthy competition in the auction ecosystem which in turn will result in determination of fair price of teas.
- Facilitation of faster sampling and cataloguing of teas after arrival at warehouses.

The above two instructions are easy to implement at this juncture due to lower volume of production in comparison to the normal season.

- Doing away with printing and distribution of hard copy catalogues since digital catalogues are already available in the auction portal which can be easily accessed by the buyers. Brokers may distribute hard copy of the catalogues as per requirement of individual stakeholders but that shall not delay the auction process at any cost. Distribution of hard copy catalogues should not be considered a part of the pre-auction process.
- To avoid disruptions of cash flows during this critical time, prompts for teas once sold shall not be deferred.

All the auction organizers are advised to follow the above instructions in letter and spirit. The actions taken by individual centres may be intimated to the undersigned at the earliest.

Sd/-

(Rajanigandha Seal Naskar)
Controller of Licensing
Tea Board

Copy to:

1. All registered producer associations in the country
2. All Warehouse Associations
3. All Buyer Associations
4. Director of Tea Development, Tea Board
5. Executive Directors, Tea Board (Guwahati and Coonoor)
6. DDTD, Tea Board (Siliguri and Palampur)
7. ADTD, Tea Board (Jalpaiguri)