INDIAN AND CEYLON TEA:

THE ANNUAL REVIEW BY MESSRS. W. J. & HY. THOMPSON OF MINCING LANE.

The well-known Mincing Lane leading firm of Tea Brokers always furnish an instructive and interesting Annual Report on the market and prospects, and the one supplied on the present occasion is no exception to the rule. It is full of suggestive remarks, and practical hints which ought to be turned to account, at least by the more careful and thoughtful among our planters. We see how clearly seasonal, climatic causes are recognised as affecting the crop, quality of leaf and even the manufacture; and the evidence that the planters and Factory managers were not to blame is afforded in the fact that the properties which were wanting in Indian tea, as a rule, last season, were those that must be "in the leaf when plucked." The result was found in lower prices, and the average for 1893-94 as well as the crop are likened unto those for 1891-92 and contrasted with the finer crop and better prices of 1892-93. The comparison is as follows:—

Indian tea—average price:—

1893-94	9·65d.
1892-93	11·30
1891-92	10·17
1890-91	11·75

But there is one fact brought out in the figures appended to Messrs. Thompson's Report which deserves some consideration: the average yield per acre is wonderfully the same in the two years of high, as in the two years of lower, average prices. Thus in 1890-91, the crop per acre averaged 413 lb.; in 1892-93 it was 406 lb., and the prices approximated (notwithstanding increasing exports) to within 45 cents of a penny; while in 1891-92 the average crop per acre was as high as 441 lb. and last season it was 439 lb. Now, surely, here we have a close connection between fine plucking and a high average and between heavy crops per acre and a lower average?

What we are told about the wide diversity of type in tea required to meet the varying demand of different districts and towns in the United Kingdom, is very interesting; and the nature of the water in the various localities chiefly accounts for the variety. Moreover, in this fact we have the reason why Russia, the United States and Canada are slower to take up our British grown teas; but it seems that in such directions Ceylon has a considerable advantage over India, as it is her "clean sweet liquors" which are most in request in both America and Russia. But then we are glad to see that the Messrs. Thompson most emphatically—and more than once—insist that there can be no rivalry between Indian and Ceylon teas in respect of new markets; for, whatever quantity of the one is re-exported by so much must the other benefit in Mincing Lane. It would be well if Ceylon planters more clearly realized this lesson with reference to the Tea Campaign in America projected for both countries. —Finally our planters are urged, if possible, to arrange for greater variety in the character of their teas and more especially to see that their "Broken Pekoes" have the distinctive liquor and leaf associated with that favourite grade.

Turning to the Statistics appended, it is satisfactory to find how well "Ceylon" keeps up in home deliveries and re-exports; but the steady fall in average price from 10½d and 11d to 9½d and 8¾d is far from being equally satisfactory—even though India during the past season has suffered in equal if not greater proportion. Meantime we commend this very full and able Annual Report —reproduced below—to the careful attention of our planting readers.

Since writing the above, we have seen an article in the *Indian Planters' Gazette* on the "prospects of the tea season," which contains a good deal of advice for the planters of Northern India. We make a few extracts of the more telling passages:—

It is, we believe, generally understood that fine plucking is to be the rule, and looking to the increased yield from fresh plantings and greater maturing of bushes, this is a wise decision. All must realise the injudiciousness of throwing a lot of coarse, weak tea, on the market, that but realises barely enough to meet expenses. The first two sales held in Calcutta emphasise the necessity of confining manufacture to the choicer varieties and, though possibly, owing to the rate of exchange, more tea is likely to be shipped to Europe on garden account, the idea of imagining that purchasers here will take anything, as a remitting medium, must no longer be indulged in. It must be patent to most people that the time has arrived when none but the better classes of tea will pay, and those proprietors who, from poorness of soil of their lands, inferior *jat*, difficulties of communication or other causes, cannot put their teas down here to realise an average of at least five annas, will have to seriously consider their position. The days for showing a big out-turn regardless of quality are gone, and coarse teas will no longer meet with attention at the hands of purchasers.* * *

In so far as outturn, strength and flavor the teas, of 1894 will hold their own against any previous season, and we have dwelt at length upon the only rock ahead, which should be earnestly studied, ere too late. The United Kingdom reckons upon receiving from India some 118 million pounds, but it would be far better for the grower to send but 100 million, though of solely good qualities. One year's diminished supply to London would prove to the trade that we are not prepared to be satisfied with a mere fifth of the profits of our industry, and it is certainly time that the annually increasing downward tendency of the auction prices should be arrested; restriction of out-turn is the only way in which this can be accomplished. From the present date the season is promising enough—if the great mistake of flooding the markets is not committed. The tea interest has the command of affairs entirely in its own hands, and if it fails to steer clear of the shoals and quicksands we have pointed out, will have but itself to blame for the consequences. Since the foregoing was written we notice that Indian tea is more in favor in London, several samples of Ceylons shewing a marked inferiority not only being *thin* in liquor but *sour*. If this is correct our planters should strive their very utmost to retain the position. It is worth remarking that our opinions as to the market being in the hands of producers is endorsed, and we earnestly hope that this *consensus* of views will be laid to heart, by those responsible for the conduct of affairs. We cannot, however, in face of what we have written, share in the anticipations of *The Indian Daily News* that stocks are likely to be lower by the end of August than in any previous year, as we have shewn the amount in stock, and our advices from the districts indicate heavy consignments *en route*. If any proprietors can afford to hold; let them do so.

INDIAN AND CEYLON TEA:

ANNUAL REVIEW.

38, Mincing Lane, June 1894.

Publication of the figures for the 12 months ending 31st May, completes the statistical record of the season, and gives an opportunity for reviewing the year that is past, and of examining prospects for the near futu...

Progressive movement is the prominent feature in the retrospect——and progress neither spasmodic nor exceptional, but systematic and regular, in production; in consumption at home and demand from abroad; and in the application of skill and resource in solution of difficulties which the planter has to face at all times, and the merchant in periods of general trade depression. The outcome of the studious attention given in past years to the development of the great tea interest of India and Ceylon is——that the industry remains remunerative and prospering notwithstanding the decline in the market value of produce.

As regards INDIA—the season was one of exceptional difficulty owing to incidents, climatic in origin and out of control, in some places lessening the productiveness of the bush, or affecting the quality of the leaf; in others interfering with the process of manufacture. Although some few parts seem to have been specially favoured, others were at a disadvantage during the whole year; it is, therefore, not surprising that while there are instances of distinct improvement the entire crops from a considerable area have failed to maintain their full standard of excellence.

That the deficiency, where shown, was mainly due to the cause indicated, and not to lack of care or to undue eagerness for excessive yield, finds confirmation in the fact that the teas in question have been fairly good in appearance, and in the colour of infused leaf (the surest index of quality), though wanting the fullness and point in liquor characteristic of the typical Indian tea—properties which experience shows must be *in the leaf when plucked,* and are not to be acquired by subsequent treatment, though easily lost by want of skill and care. In respect of its composition and character the crop closely resembled that of 1891, presenting a marked contrast to the finer intermediate crop of 1892, which accounts for the altered *range* of quotations, and very different movements in the market compared with last season.

As one cannot foretell the variations of climate, which combine to lower or raise the general character of the crop, it would be impolitic to forecast the particular direction in which prices here may move but recollection of other years warrants the conclusion that a re-adjustment in the range of value, with distinct benefit to the average price, would follow the receipt of a finer crop; whereas another large one, not plainly marked as good, may still further accentuate the depression in the lower sorts, bringing serious hazard to those who make them, with compensation in the form of high prices for the best.

There is a policy, however, that we think without question those should pursue whose estates can give tea of distinctive character and quality——for whilst others may possibly find it safer to rely on a heavy yield at a low cost, they should aim at making a speciality, and not be diverted from doing so by temporary fluctuations in the market seemingly adverse to fine tea. This more especially applies to some parts of Darjeeling and Assam, but we fail to understand why more persistent endeavours on these lines are not made elsewhere, for fine tea will be appreciated here wherever it may come from, and in times past some of the choicest tea came from Cachar, Terai, and the Dooars.

It is true that the reduced retail quotation current all over the country would seem to endanger the future of fine tea; but against this we set the fact that the grower has only borne a fraction of the loss incidental to the cheapening process; the greater part of it has been taken out of the middlemen's pocket by those who, following the modern tendency of trade deal as near as may be directly with the producer, and are thus able to meet the demand for good tea at a lower retail price than used to be paid. The importance attached to "quality" as distinct from "cheapness" by those who are trading successfully on these lines, is the sign-post for producers in doubt as to the direction they should take.

To the ever-recurring question, "What *sort* of teas should we make?" the answer today must be what it has been in the past—viz., the type that experience shows to be the most suitable to your soil, plant, and appliances. A *wide diversity of type* is required in order to meet the varying demands of the Trade in different parts of the Kingdom, which do not change from year to year because the cause is constant—viz., the difference in the water used in the various localities. As the proportion of China tea used lessens, there is, it is true, more enquiry for soft and flavory kinds from consumers who prefer them to those with strong and pungent liquor; but Ceylon, Sylhet, and the Dooars can supply this want, and care must be taken elsewhere to provide the *variety* that has been such a valuable factor in the popularity of the Indian product.

This question of water mainly accounts, we believe for the slow progress made in trade with the United States and Canada, possibly also with Russia, which indeed is the most diappointing feature of the year; whereas Ceylon Tea, many years behind India in point of time, is making headway more rapidly. That the export will expand as years go on, seems patent—but so far, from one cause or another, neither the Continent nor America have appreciated the inherent good quality of our finest tea, and when trade is done the margin of profit is so narrow that there is no special inducement for any who are not personally interested to engage in it. The sustained efforts of Planters and others concerned should, however, take effect; for the thin end of the wedge has been driven in by the London Dealers who for years past have worked quietly on a mercantile basis—so far perhaps with little profit—with a view to the future. By gradually accustoming consumers abroad to the taste of our teas—as was done here in the infancy of the Indian trade—the way should be prepared for a larger business in the future. That foreign markets should call for our low priced teas with clean sweet liquors in preference to the finer qualities is not wholly a disadvantage, for Ceylon can give the supply if India cannot; it is with such kinds that the home market if often over-stocked, and the relief will be the same whether Ceylon or Indian be taken.

As regards Ceylon Tea, though from its marked individuality it is sometimes treated as an interest separate from that of India, or even as antagonistic to it, that is not really the case as far as this market is concerned; for the trade in the two growths moves on parallel lines, and whatever affects the value of the one eventually re-acts upon the other. Taken together they practically occupy the attention of the Home Trade to the exclusion of other kinds, and they meet each other in competition very much as teas from the different parts of India do, being appraised by the buyers from the standpoint of relative quality and value, allowing, of course for the special enquiry for Ceylon, Darjeeling, Assam, &c., as such. Our Comments under the head of India, as regards the general tendency of trade and the outlook for the future will, therefore, be more or less applicable to Ceylon; but a summary of the past year would be incomplete without recognition of the uniformly good tea produced in the Island, and the small proportion showing faulty manufacture.

The opinion often expressed that quality has greatly fallen off, arises from the memory of those few teas specially fine in grade as well as liquor, made years ago with a definite end in view, which certainly made the reputation of Ceylon. The system now generally adopted, and presumably the more profitable alters the grading of the leaf, and gives flavour or pungency in place of the deep rich liquor that at first constituted the special distinction of Ceylon tea; but the greater portion of the teas that now come before us are of fairly good *quality,* though often of low *grade,* and, as a whole, are superior to some of the intermediate crops received during the past seven or eight years. While expressing this view, we should like again to impress upon Planters that a greater variety in character is desirable, as the uniformity which now marks so much of the crop lessens the elasticity of prices, and, as a matter of fact, prevents the use of Ceylon by some who only buy tea with thick liquor, and will not take the light pungent variety now principally made.

The gradual change in the assortment of the leaf has somewhat to do with the lowered value of "Broken Pekoe;" much now so classified seems mainly composed of Pekoe Leaf reduced in size by mechanical process, and has not the liquor peculiar to the Broken Pekoe that makes itself, so to speak, in the course of manufacture. This applies to the Indian crop as well as to Ceylon, and is a matter deserving attention because the process tends to create small Fannings and Dust, which are unsealable when plentiful. The majority of English buyers prefer whole leaf tea, which they can reduce by their own machinery to suit the special requirements of their trade; while the Irish buyers require Broken Pekoe with its distinctive liquor and leaf; and exporters will rarely take a mixture of leaf and broken.

Results of some of the INDIAN TEA CROPS sold in London, season 1893.

	Acreage Yielding.	Crop.	Per Acre.	Average Price Realized. 1893-94.	1892-93.
		lb.	lb.	d.	d.
Total ..	91,300	40,083,000	439	9·65	11·30

Previous tables, which included most of the estates named above, showed the following results:—

	Acreage.	Quantity. lb.	Per Acre.	Price per lb.
1892-93	85,780	34,900,000	406	0 11·30
1891-92	78,500	34,640,000	441	0 10·17
1890-91	71,600	29,600,000	413	0 11·75

The following figures taken from the Board of Trade Returns, show the continuous movement by which British-grown teas are displacing those produced elsewhere:

Duty payments for the twelve months ending May:

	1894. per cent.	1893. per cent.	1892. per cent.
Proportion of Indian	54·50	51·51	50·80
Do Ceylon	32·00	30·52	28·15
Do China & Java	13·50	17·97	21·05
	100	100	100

Exported from the United Kingdom for the twelve months ending May:

	1894. per cent.	1893. per cent.	1892. per cent.
Proportion of Indian	10·30	9·40	11·30
Do Ceylon	13·30	10·32	8·20
Do China & Java	76·40	80·28	80·50
	100	100	100

The progress of the Ceylon trade is shown by the following statistics:—

Year ending	Imported		Sold in Auction		Average price
	lb.		pkgs.		per lb.
31st May 1894	$72\frac{1}{2}$ million		850,000 (exclusive of reprints)		$8\frac{1}{2}$d (approximate)
do 1893	64 million	do	790,000	do	$9\frac{1}{4}$d
do 1891	$47\frac{1}{2}$ million	do	605,000	do	11d
do 1889	$26\frac{1}{2}$ million	do	381,500	do	$10\frac{1}{2}$d

WM. JAS. & HY. THOMPSON, Brokers.

The TOTAL EXPORTS FROM INDIA during past three seasons were:—

	1893.	1892.	1891.
To the U. K.	113,660,000	106,655,000	109,623,000
To Australia and New Zealand	6,325,000	3,850,000	5,130,000
To America	227,000	89,000	187,000
To other places	3,500,000	1,531,000	3,819,000
	123,712,000	112,125,000	118,759,000
Re-Exported from England	3,321,000	3,340,000	3,761,000

The TOTAL EXPORTS FROM CEYLON during the past three years were:—

	1893.	1892.	1891.
To the U. K.	75,500,000	64,815,000	63,744,000
To Australia and New Zealand	6,969,000	5,166,000	3,211,000
To other places	1,937,000	1,181,000	1,319,000
	84,406,000	71,162,000	68,274,000
Re-Exported from England	4,066,000	3,447,000	2,093,000

LONDON WAREHOUSE RETURNS for 12 months ending 31st May.

	1894.	1893.	1892.	1891.
Import.	lb.	lb.	lb.	lb.
Indian	114,048,000	108,003,000	110,933,000	99,879,000
Ceylon	72,626,000	64,162,000	64,142,000	47,405,000
China	54,217, 00	54,296,000	60,224,000	69,756,000
Java	2,700,000	4,553,000	3,121,000	3,781,000
Total	243,591,000	231,014 000	238.420,000	220821000
Delivery.				
Indian	115,683.000	107,187,000	108,177,000	100,708,000
Ceylon	71,076,000	64,983,000	61,359,000	42,616,000
China	50,679,000	58,676,000	68,461,000	81,381,000
Java	3,053,000	4,017,000	3,341,000	3,995,000
Total	240,491,000	234,863,000	241,338,000	228,700,000
Of which Home Consumption	206,000,000	199,863,000	204,338,000	196,200,000
Of which Export	34,500,000	35,000,000	37,000,000	32,500,000
Stock 1st June.				
Indian	28,493,000	30,129,000	29,305,000	26,661,000
Ceylon	18,491,000	16,940,000	17,761,000	14,975,000
China	19,697,000	16,150,000	20,360,000	28,341,000
Java	832,000	1,185,000	798,000	851,000
Total	67,513,000	64,404,000	68,241,000	70,828,000

WM. JAS. & HY. THOMPSON, Brokers

London, June 1894.

OVERPRODUCTION AND PRICES.—We long ago made up our mind as to the folly of attempting to dogmatize (and argue by the editorial column,) on a question which divides the very first currency and financial authorities of the age in the City of London. Our morning contemporary is therefore welcome, so far as we are concerned, to continue till the Greek Kalends his essay-writing on Gold, Silver and Currency topics. We do not know that they will do any one harm, while those who seek the highest authorities will scarcely give them the preference over the utterances of the metropolitan bi-metallism organs. But if there are to be local expositions at all, it seems to us they ought to have more of a distinctively local bearing. Now we should like to know how the cases of coffee and cocoa—to name but two of our products—can be taken, in their range of prices for ten or twenty years back, to illustrate our contemporary's theory. There has certainly been no "overproduction" of Ceylon or other coffee: nevertheless has the price fallen in consequence of the appreciation of gold?