

COMMODITIES

TEA

Tea production in Jan.-Nov. 1975 was 427,694,239 lbs. compared to 406,048,503 lbs. in 1974, an increase of 21,645,736 lbs. over 1974. This increase in production was reflected in the quantity of tea exported during this period from Sri Lanka. The total quantity of exports in Jan.-Nov. 1975 was 433,775,698 lbs. compared to 360,605,959 lbs. in the corresponding period in 1974. Export values also reflected higher earnings in 1975 (Jan.-Nov.) Rs. 1,786,492,840, compared to Rs. 1,253,812,872 during the same period in 1974. This is due to a higher f.o.b. value for all grades. In 1975 the f.o.b. value was Rs. 4.11 cts. compared to Rs. 3.47 in 1974. Tea exports have brought in Rs. 533 million more than last year, for the period Jan-Nov.

Price Trends

Prices fetched at the Colombo Auctions and London Auctions were both much higher in 1975 compared to 1974. Details of prices are given in the tables below.

COLOMBO AUCTION PRICES (Rs./Kg.)

	Jan. - Nov.	
	1974 Rs.	1975 Rs.
High grown	6.93	7.05
Mid grown	6.05	6.24
Low grown	6.51	7.21
All teas	6.51	6.85

LONDON AUCTION PRICES (New Pence/Kg)

	Jan.-Nov.	
	1974 Rs.	1975 Rs.
Asian Countries		
North India	59.62	63.17
South India	53.82	58.01
Sri Lanka ...	59.99	63.30
Bangladesh	47.23	55.85
South Vietnam	52.32	56.08
New Guinea	56.07	55.72
African Countries		
Kenya ...	64.34	65.60
Uganda ...	60.66	61.32
Tanzania ...	59.96	64.38
Burundi ...	57.15	58.58
Rwanda ...	59.92	63.91
Zaire ...	58.39	59.29
Malawi ...	55.16	57.18

Record Price

A world record was established at the first tea auctions for the year in Colombo. At this sale, on January 6, a specially manufactured flowery BOP Fannings 'Golden Tips Special Grade' from Berubeula Estate in Deniyaya, fetched Rs. 240/- per kilo.

Sales Averages for 1975

Tea sales averages over the year indicated a slight increase in auction prices during the year 1975, according to a Broker's summary statement. The average sales price for all teas was Rs. 6.68 in 1975 as against Rs. 6.63 in 1974. The price for High-Growns averaged Rs. 7.05 during both 1974 and 1975; Mid-Growns averaged Rs. 6.31 in

SPICES

Exports of all spices, with the exception of Cardamoms, have shown a decline during the period under review compared with the corresponding period last year. Cardamom exports of 5604 cwts. show a more than hundred per cent increase both in quantity and in value. Cinnamon, the main item among spice exports, on the other hand, has dropped to slightly more than half the quantity that was exported in the corresponding period last year. This is because of the drop in the intake of Cinnamon by Mexico, the largest single market for Sri Lanka Cinnamon. Total earnings from spice exports during the period under review were

1975 as against 6.16 in 1974; and Low-Growns averaged Rs. 7.21 in 1975 as against Rs. 6.68 in 1974.

World Seminar on Pepper

An international seminar on pepper will be held in Cochin on March 12, 1976 to discuss matters relating to augmenting the world trade in pepper. Pepper is the most important item in India's foreign trade in spices. During 1974-75 India exported 26,341 tonnes of pepper and earned an all-time record of Rs. 3.5 crores. Besides India the other countries which are actively in the world pepper trade are Indonesia, Malaysia and Brazil. Sri Lanka and Cambodia also produce and export pepper. World trade in pepper is estimated at one lakh tonnes and the share of India and Indonesia is 25 to 30 per cent each. Malaysia's share is over 30 per cent, while that of Brazil just 10 to 15 per cent.

Rs. 51.7 m. compared to Rs. 77.8 m. during the corresponding period in 1974.

ESSENTIAL OILS

Exports of all essential oils, with the exception of nutmeg oil, have declined substantially both in quantity and value during the period under review as compared with the corresponding period in 1974. Total earnings from the export of essential oils during the first eleven months of this year were less than a third of the amount earned during the corresponding period in 1974. The main decrease has been in the exports of Cinnamon leaf oil and Citronella oil.

Details are given below:—

	1974		1975	
	January - November		January - November	
	Quantity Cwts.	Value Rs. m.	Quantity Cwts.	Value Rs. m.
SPICE EXPORTS				
Cinnamon ...	133,037	57.1	...	69,476
Cardamom ...	2,155	5.0	...	5,604
Cloves ...	11,400	11.3	...	3,288
Pepper ...	6,237	3.2	...	1,892
Nutmeg ...	2,340	1.4	...	n.a.
ESSENTIAL OIL EXPORTS				
Cinnamon leaf oil ...	1,823	4.9	...	922
Cinnamon bark oil ...	18	0.7	...	4
Citronella oil ...	2,432	5.3	...	1,869
Ginger oil ...	9	0.3	...	2
Cardamom oil ...	19	0.7	...	3
Clove oil ...	14	.04	...	—
Nutmeg oil ...	74	0.3	...	72

COCONUT

Actual Exports

Export earnings from coconut products in November 1975 at Rs. 44.0 million indicated a drop of Rs. 5.6 m. in comparison with the previous month.

Earnings from the export of Coconut Oil in November 1975 at Rs. 12.4 m. indicated a drop of Rs. 2.4 m. Earnings from the export of D.C. at Rs. 19.6 m. showed an increase of Rs. 2.1 m. and earnings from the export of Coir Fibre and Fibre products in November 1975 at Rs. 7.7 m. a drop of Rs. 0.7 m. compared with the previous month.

The table on the right provides further details.

Export Approvals

The total value of the exports approved by the Coconut Marketing Board for the month of November amounted to Rs. 36.1 m. as against Rs. 47.8 m. in November 1974.

The total value of the exports approved for the period January-November 1975 amounted to Rs. 463.9 m. as against Rs. 538.8 m. for the same period last year.

The total volume of kernal products approved (Copra, Coconut Oil, D.C. and Fresh Nuts) during January-November amounted to 823.9 m. nuts equivalent—an increase of 371.1 m. nuts or 82% relative to the corresponding period last year.

International Markets

The international market price of coconut oil was in the range of £157-160 per M.T. and after a sharp drop in mid-November, D.C. prices showed recovery. The recovery of overseas demand for coir fibre gathered further momentum during November.

Local Market

The purchase price of Coconut Oil by the C.M.B. was raised from Rs. 2000 per tonne (December delivery) to Rs. 2100. (January delivery) the suggested price for Copra moved up from Rs. 105 per 100 kilos in October to Rs. 114 in November. The wholesale prices of fresh coconuts moved up to over Rs. 200 per 1000 nuts by the end of the month. The transacted price of D.C. moved up to Rs. 2.07 per kilo in the final week of November. Owing mainly to rainy weather the fibre purchases by shippers failed to show any improvement.

EXPORTS OF COCONUT PRODUCTS

		1974 Jan. - Nov.		1975 Jan. - Nov.	
		Volume	Value (Rs.)	Volume	Value (Rs.)
Coconut oil	Cwt.	362,176	122,689,215	507,952	165,228,556
D.C.	"	763,752	228,732,245	450,745	181,125,987
Copra	"	160,000	907,062	10,124	5,627,981
Poonac	"	76,894	1,414,170	34,837	972,918
Fresh nuts	"	1,611,107	2,548,856	25,108	8,031,272
Fibre products	"	2,005,565	100,489,680	1,208,519	77,662,584
Shell products	"	528,102	28,276,001	185,789	12,658,199
Total value	...		485,057,234		451,307,497

RUBBER

The quantity of rubber exported during the period January to November this year was substantially higher than that in the corresponding period last year. Export earnings were however lower by Rs. 99.5 m., when compared with the corresponding period in 1974. Rubber prices which have shown an upward trend since June 1975 continued to rise and the average price for the month of December for R.S.S. 1 was Rs. 3.70 a kilo which is higher than for the corresponding month in 1974 by Rs. 1.02:

Quite apart from the demand for rubber one reason for the steady rise in its prices has been the new sliding scale of duties that was introduced by the government in mid 1975. The new scale of duties has ensured for the producer a greater share of the improvement in prices. The upward movement in prices is also seen in the prices of all grades of crepe rubber.

Indian Vegetable Oil Exports

With the U.S.S.R. as the major importer India's *Castor Oil* exports

to the world's markets totalled Rs. 13.8 crore (2 crore kgm.) during 1974-1975. The total value of the U.S.S.R. import of castor oil was Rs. 6.8 crore. The other major importers were the U.K. (Rs. 2.2 crore), U.S.A. (Rs. 1.7 crore). Other sizable markets for castor oil were Australia, Japan and New Zealand.

Next to castor oil India's main Vegetable oil export is *Linseed Oil* for which the principal importers were U.K., Sweden, Netherlands, Czechoslovakia and Australia. The export earnings from the sale of linseed oil totalled Rs. 16.7 crore in 1974-1975 of which the U.K. imported over 1.1 crore kgm.

India also exports *groundnut oil*, *coconut oil*, *sal oil* and *kum-kum oil*.

Cashew Nut shell liquid or (CNSL) is another important vegetable oil supplied by India. Its export value during 1974-1975 was Rs. 1.7 crore, major customers being U.K., Japan, U.S.A. and Rumania.

RUBBER EXPORTS

	1974 Jan. - Nov.		1975 Jan. - Nov.	
	Q. Kilos	Value Rs. m.	Q. Kilos	Value Rs. m.
Sole crepe	3,674,971	37.4	3,910,273	23.1
Latex crepe	34,260,360	229.0	42,078,910	182.4
Scrap crepe	12,928,692	59.7	12,823,360	41.8
Sheet Rubber	69,286,824	377.4	96,186,358	355.5
Block Rubber	528,745	3.2	1,153,032	4.3
Latex	1,884	.009	42,820	0.1
Grand Total	120,681,476	706.7	156,195,753	607.2