

Apeejay Tea to pack a Typhoon

Plans to foray into packet tea in India under the British brand it acquired last year

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The Apeejay Tea Group, which acquired the UK-based Typhoon brand last year, is likely to make its packet tea foray in India under the iconic brand.

The tea major, one of the country's largest tea producers, is also eyeing acquisition of smaller regional brands in the domestic market and may leverage the marketing muscle of a large distribution company to sell its value-added brews.

Tea production being its forte, the company is also open to acquisition of tea estates both in India and Africa.

The group, which operates 17 gardens through Apeejay Tea Ltd, Empire and Singlo, plans to ramp up its tea production to 25 million kg in four years from 19.5 million kg at present.

Sharing the company's plans, Deepak Atal, managing director, Apeejay Tea Group, said, "There is a need to move on to the value-added segment from being a mere commodity player over time. We intend to bring the Typhoon brand into India, but it is early to fix on the exact timing and all depends on the Typhoon management."

The company is said to have already conducted a consumer survey in the local market, preparing the ground for bringing the British brand. Incidentally, plans are on to take the Typhoon brand to the global markets from UK at present. The 100-year-old brand is the third largest after PG Tips and Tetley in the UK.

"Although plans are yet to be firmed up, the group will bring the entire range of teas of the Typhoon brand



Actions brewing

Ramp up tea production to 25 m kg in four years from 19.5 m kg now

Bring in the entire range of Typhoon teas and operate in the low-volume, high-value market

Acquire smaller regional brands and go with a large distribution company

with time and will largely operate in the low-volume, high-value market," Atal said.

Meanwhile, as part of its limited packet tea activities, the company recently launched Maha Mantra, a 5 kg pack, in selected markets like Punjab and Rajasthan, and plans to take it to Madhya Pradesh soon.

On the production side, Apeejay Tea Group is conducting a massive uprooting, replanting and modernisation programme at its gardens and factories.

"A 3.5% uprooting, which is high by industry standards, is expected to pull up the company yields per hectare manifold. This will also help us control costs of production indirectly," Ashok Kumar Bhargava, executive director, Apeejay Tea Group, said.

Despite having suffered minor setbacks on acquisitions of a few domestic tea companies including Doom Dooma in recent times, the company is again keen to increase its production through the inorganic route. The Assam gardens are the ideal fit, according to company officials.