

Pu'er Tea: Origins, Markets and India's Opening

Author: Pinaki Ranjan Dey

Founder & Director, pinaarmou Consulting (www.pinaarmouconsulting.com)

Pu'er is a post-fermented tea from China's Yunnan province, valued for its ageing potential and, increasingly, for its wellness appeal. It is a niche, premium category with uneven pricing. On 26 September 2026 an Assam-made Pu'er-style tea sold at ₹ 12,000 per kg at Guwahati, the first time such a tea has been auctioned there. That is a promising proof of concept, but it is a five-kg lot, not yet a market.

Recent Sale at the Assam Tea Exchange

Five kg of Assam-made Pu'er tea was sold at ₹ 12,000 per kg at the Guwahati Tea Auction Centre on Friday 26 September 2026. Key facts:

- The seller was Gauripur Tea Industry (Golaghat), which began producing Pu'er in 2023 and uses only the bud, not the conventional bud-and-two-leaves.
- It was a sheng-style batch, sold at Sale 39 through broker J. Thomas & Co. and bought by Assam Tea Traders. It was the first time the tea was offered at Guwahati.
- That compares with ₹ 9,000 per kg for an earlier speciality tea from the same producer at Jorhat in 2023.
- Industry leaders see a pathway for other speciality teas. The North Eastern Tea Association's adviser said Phalap tea could be another speciality tea sold through the Guwahati auction.
- India's overall average export realisation was about ₹ 304 per kg in January-July 2026. The Pu'er lot fetched roughly forty times that, though on a tiny volume.



Tripura Context

Since Government of Tripura is actively planning to setup the second tea action centre (after Guwahati) in the entire North Eastern Region at Agartala, opportunities of growing such premium, high value tea can be explored in near future. This will need a concerted effort of the R&D institutions including tea breeding institutions, policy level support, professional and market driven international branding strategies and linkages with reputed international buyers.

Brief SWOT Analysis: NER's Position for a Sustainable Share of the Global Pu'er market

For new market entrants, particularly from States like Assam, Tripura among the NER States in India, the critical success factors lie in provenance, storage quality and brand building.

Strengths • Same assamica variety Yunnan uses for Pu'er; deep Assam processing expertise and an established auction system. • Demonstrated premium: ₹ 12,000/kg at Guwahati (2026), up from ₹ 9,000/kg at Jorhat (2023). • Rising state support: Assam speciality-tea subsidy raised from ₹ 10 to ₹ 15/kg from 2026 27.	Weaknesses • Negligible scale: small batches; the Guwahati lot was five kg. • No heritage, geographical indication or aged inventory; Pu'er value rests on provenance and years of storage. • Industry built on bulk CTC/orthodox tea, not bud-only craft production or ageing infrastructure.
Opportunities • Mid-to-high single-digit market growth on wellness interest and e-commerce. • Diversification: exports fell to 128.56 m kg in Jan–Jul 2026 (from 153.24 m kg); West Asia is about 46% of exports. • Position as distinct 'Indian-origin aged tea'; related local teas such as Phalap.	Threats • Yunnan's brand, GI protection and established collector market. • Oversupply and price correction in China may narrow premiums for new teas. • Regulatory exposure: EU pesticide rules; health claims the evidence does not yet support. • Naming risk: 'Pu'er' may conflict with Chinese GI rules; 'Pu'er-style' or a distinct Indian name is safer.

Origin of Pu'er Tea

Pu'er (also written Pu-erh) is a fermented tea traditionally produced in China's Yunnan province. It is made from large-leaf *Camellia sinensis* var. *assamica*, the same botanical variety that underpins Assam tea. Historically the leaf was pressed into cakes and bricks so it could travel on the old Tea Horse Road trade routes toward Tibet and beyond. Today it is protected as a Yunnan geographical indication. Its core terroirs are Xishuangbanna (Menghai, Yiwu) and the Pu'er and Lincang areas.



The two main styles are:

- **Sheng (raw):** naturally processed and matured over years, so flavour deepens with age.
- **Shou (ripe):** put through a controlled wet-piling fermentation, which produces a dark, smooth cup in a few months.

Health Benefits: What the Evidence Supports

Most of the favourable evidence comes from animal studies. In high-fat-diet mouse work, Pu'er extract reduced triglycerides, total cholesterol and LDL cholesterol and reshaped gut microbiota. The compound 'theabrownin', formed during fermentation, is the leading candidate for the effect. Cholesterol-lowering results have been reported in rodents and in some human subjects.

The human evidence is thinner. One clinical trial of an aqueous extract found statistically significant weight loss versus placebo and a mild reduction in cholesterol. The authors noted that the human trials so far were in Asian populations. A meta-analysis of animal studies also supports antioxidant activity, but it calls the human evidence for this long-held belief limited.

Marketing should therefore say “traditionally valued, with promising early research” and avoid disease or weight-loss claims. Regulators in India (FSSAI) and the EU are strict on such claims. Pu'er also contains caffeine, which suits some drinkers less well.

Global Market Overview

Published market-size estimates differ widely:

Estimate (2025)	Source	Forecast
~US\$0.4 bn	Market Research Intellect	US\$700 million by 2035 (6.5% CAGR)
~US\$1.3 bn	Verified Market Reports	US\$2.5 billion by 2034 (8.3% CAGR)
~US\$1.9 bn	Wiseguy Reports	US\$3 billion by 2035 (4.4% CAGR)
~US\$2.8 bn	Dataintelo	US\$5.1 billion by 2034 (6.9% CAGR)

Since there is a wide range of estimation about the market size, one can estimate the market size to be ranging between US\$ 1–3 billion with mid-to-high single-digit growth. Two points are however consistent across them. China dominates, and raw (non-fermented) Pu'er held about 73% of China's market in 2021. Growth drivers are mainly in terms of wellness positioning, premiumisation and e-commerce.

Price Trend

Pu'er has gone through boom and correction cycles, because it is both a drink and a collectible.

- **Speculative peak, then reset.** The popular Dayi 2020 7542 cake peaked near 50,000 RMB per jin and had fallen to about 29,000 RMB by early 2024. Commodity factory tea is unlikely to recover its peak.

- **Fresh material is softening.** One long-time industry observer reports that new teas and farmer mao cha are already seeing price declines in many areas, while quality aged sheng should keep rising, but much more slowly.
- **Wide dispersion.** Spring 2025 ancient-tree mao cha ranged from low thousands to tens of thousands of RMB per kg, against about 1,500 for small-tree material. Provenance and tree age drive the premium.



Bottom line. A sustainable niche is plausible for States like Assam and Tripura, but it is a long-horizon, brand-led play. It would need aged inventory, a distinct origin story and certification. Scale will come over years, not from one auction result.

