



联合国  
粮食及  
农业组织

Food and Agriculture  
Organization of the  
United Nations

Organisation des Nations  
Unies pour l'alimentation  
et l'agriculture

Продовольственная и  
сельскохозяйственная организация  
Объединенных Наций

Organización de las  
Naciones Unidas para la  
Alimentación y la Agricultura

منظمة  
الغذية والزراعة  
للأمم المتحدة

# COMMITTEE ON COMMODITY PROBLEMS

## INTERGOVERNMENTAL GROUP ON TEA

### TWENTY-THIRD SESSION

Hangzhou, the People's Republic of China, 17-20 May 2018

### PROVISIONAL AGENDA AND AGENDA NOTES

#### I. ORGANIZATIONAL MATTERS

- A. Election of Chairperson and Vice-chairpersons
- B. Adoption of provisional agenda and timetable

#### II. MARKET DEVELOPMENTS AND OUTLOOK

- A. Current Market situation and medium-term outlook
- B. Market developments in selected countries

#### III. FACTORS AFFECTING DEMAND AND SUPPLY

- A. Impact of demand side factors on the global tea economy
- B. Impact of supply side factors on the global tea economy
- C. Factors driving the growth of the smallholder tea sub-sector
- D. Round table on sustainability and the related certification in the tea industry

#### IV. INTERGOVERNMENTAL ACTION

- A. Working Groups on Maximum Residue Levels (MRLs)
- B. Working Group on Tea Trade and Quality
- C. Working Group on Organic Tea
- D. Working Group on Climate Change
- E. Working Group on Global Tea Market Analysis and Promotion
- F. Working Group on Smallholders
- G. Task Force on Projections and Statistics
- H. Update on the Tea Website Development
- I. Future Action Plan of the IGG tea

*This document can be accessed using the Quick Response Code on this page;  
an FAO initiative to minimize its environmental impact and promote greener communications.  
Other documents can be consulted at [www.fao.org](http://www.fao.org)*



mw174

**V. ACTIVITIES IN OTHER ORGANIZATIONS****VI. OTHER MATTERS**

- A. Any other business
- B. Date and place of the next session
- C. Adoption of the report

## **I. ORGANIZATIONAL MATTERS**

1. The Twenty-third Session of the Intergovernmental Group (IGG) on Tea will be hosted by the Government of the People's Republic of China and will be held in Hangzhou from 17 to 20 May 2018.

### **A. ELECTION OF CHAIRPERSON AND VICE-CHAIRPERSONS**

2. The Group will elect a Chairperson and two Vice-chairpersons. At the Twenty-second Session, the Meeting elected Mr Johnson Irungu Waithaka (Kenya) as Chairperson, Mr Katsuyuki Yoshida (Japan) as First Vice-Chairperson and Mr Du Jianbin (China) as Second Vice-Chairperson.

### **B. ADOPTION OF PROVISIONAL AGENDA AND TIMETABLE**

3. Under this item, the Group will adopt the Provisional Agenda for the Session (CCP:TE 18/1).

## **II. MARKET DEVELOPMENTS AND OUTLOOK**

### **A. CURRENT MARKET SITUATION AND MEDIUM-TERM OUTLOOK**

4. Document CCP: TE 18/CRS1 examines both the current and longer term prospects for the production, consumption, trade and prices of tea in the world market and their likely impact on the sustainability of the global tea economy. Delegates are requested to update market information pertaining to their country, as this would help in reconciling any apparent differences, add to market transparency and assist with the discussion of possible strategies for sustainable development of the world tea economy.

### **B. MARKET DEVELOPMENTS IN SELECTED COUNTRIES**

5. As established by the Group at its Twentieth Session in Sri Lanka in 2012, Tea Boards and Tea Councils in major producing and importing countries have been requested to prepare and present market developments (production, consumption, trade and prices) in their countries, for consideration by the Group. Presentations should include:

- Market demand and supply balance and its influence on prices;
- Consumption in producing countries themselves as well as share experiences on promoting consumption more effectively to achieve better prices;
- Consumption targets (e.g. 400 gr per capita) set for promotional campaigns;
- MRLs for exports and cost of compliance; and
- Demographics and emerging consumption patterns.
- Any major challenge and issue related to the sector.

## **III. FACTORS AFFECTING DEMAND AND SUPPLY**

### **A. IMPACT OF DEMAND SIDE FACTORS ON THE GLOBAL TEA ECONOMY**

6. At its last Session in Naivasha, Kenya, the Group highlighted several factors that influence the demand for tea, including the traditional price and income variables and demographics such as age, education, occupation and cultural background. In addition, the Group noted that health has a great influence on tea consumption and recommended strengthening consumer awareness of the health benefits of tea consumption through a generic promotion programme.

7. The Group underscored the need for coordinated efforts to foster such international generic promotion programme based on a good understanding of the consumption patterns at the global market. In response to the Group's request for further detailed studies, the Secretariat has produced

document CCP:TE 18/2 discussing emerging trends in tea consumption and how they could inform the generic promotion process.

## **B. IMPACT OF SUPPLY SIDE FACTORS ON THE GLOBAL TEA ECONOMY**

8. At its last Session, the Group noted that despite taking the biggest risk in the value chain (production and market uncertainties, adverse weather, climate change, weeds and disease infestations, etc.), farm earnings that accrue to the tea smallholders are clearly not sustainable and are in some cases still below national and international poverty line indicators leading to massive rural poverty, unemployment, food insecurity and accelerated urban drift. This phenomenon is exacerbated by price volatility affecting negatively tea producers.

9. While highlighting futures markets and SWAPS as strategies adopted by some member countries to address prices volatility and its impact on tea supply, the session requested the group to assess the readiness of the sector to embark on SWAPS and futures as mechanism for price stabilisation and explore the option of establishing a Working Group on Swap and futures market;

10. In response to the Group's request, the Secretariat has produced document CCP:TE 18/3, which discusses opportunities, risks and conditions for success for futures and SWAP markets for tea to serve as a basis for a brainstorming exercise on the industry's readiness for such institutional arrangements.

## **C. FACTORS DRIVING THE GROWTH OF THE SMALLHOLDER TEA SUB-SECTOR**

11. At its Twenty-second Session and subsequent intersessional meeting in August 2017, the Group highlighted major socioeconomic challenges faced by smallholders in most of the producing countries noting that the subsector continues to be disadvantaged.

12. While encouraging the Secretariat to strengthen price projections and their implications within the framework of the medium term outlook, the Group raised the need to complement such efforts with socio-economic studies assessing the welfare and livelihoods of tea smallholders with a view to achieve sustainability.

13. Document CCP: TE 18/CRS2 examines issues, challenges and opportunities faced by tea smallholders and outlines the strategy towards promoting their market access and sustainable integration into global value chains.

## **D. ROUNDTABLE ON SUSTAINABILITY AND THE RELATED CERTIFICATION IN THE TEA INDUSTRY**

14. The IGG on tea has been advocating sustainable value chains, through its recent Sessions. The Group has established Working Groups on Maximum Residue Levels, Climate Change, and smallholder productions, among others, to mainstream sustainability within the industry. The last intersessional meeting called for further support to green, low input tea farming systems and their promotion to organic status. The group encouraged socio-economic impact assessment and promotion of sustainable tea value chains.

15. In response to the Group request, the Secretariat has produced the Document CCP:TE 18/4, discussing sustainability issues in tea production and trade and assessing the impact of certification schemes on farm incomes, inclusive rural development and market access in the industry. The presentation on the document will be complemented by panel discussions by major certification schemes in the tea industry.

#### **IV. INTERGOVERNMENTAL ACTION**

##### **A. WORKING GROUPS ON MAXIMUM RESIDUE LEVELS**

16. The Group will examine this agenda item with the assistance of a presentation delivered by the Chairpersons of the Working Groups.

##### **B. WORKING GROUP ON TEA TRADE AND QUALITY**

17. With the assistance of a presentation by the Chairperson of the WG, the Group will be briefed on the achievements to date and the proposed future action plan to be adopted by the Group.

##### **C. WORKING GROUP ON ORGANIC TEA**

18. The Group will be updated of the progress made on recommendations from the intersessional meeting held in August 2017 in Colombo. A presentation will be made by the Chairperson of the WG.

##### **D. WORKING GROUP ON CLIMATE CHANGE**

19. The Group will be updated of the decisions taken at the intersessional meeting in August 2017 by the Chairperson of the WG.

##### **E. WORKING GROUP ON GLOBAL TEA MARKET ANALYSIS AND PROMOTION**

20. The Group will be updated of the decisions taken at the intersessional meeting in August 2017 by the Chairperson of the WG.

##### **F. WORKING GROUP ON SMALLHOLDERS**

21. The Group will discuss progress in the implementation of the recommendations of the intersessional meeting held in Colombo in August 2017, and especially the need for a generic strategy towards integrating smallholders in the global value chain.

##### **G. TASK FORCE ON PROJECTIONS AND STATISTICS**

22. During its last Session, the Group reviewed the Secretariat's achievements, issues and challenges on matters related to statistics and projections. The meeting encouraged member countries to strengthen the arrangements aimed at providing the Secretariat with information required to conduct analysis on the current situation of the industry and the medium-term outlook.

23. The Group will examine progress made on this agenda item with the assistance of a presentation by the Secretariat.

##### **H. UPDATE ON THE TEA WEBSITE DEVELOPMENT**

24. Given the lack of progress in developing the website, at its previous Session, the Group agreed to use the electronic forum that had been developed by the Secretariat to more effectively develop the website. In addition, this should facilitate the achievements of the Working Groups' plans of action. It was agreed that the Chairpersons of each WG would coordinate their "private rooms".

25. While the Secretariat continued to administer the forum, the Communication Focal Point coordinated the inputs from members in a logical manner. The Communication Focal Point will inform the Group on progress made since its last Session.

**I. FUTURE ACTION PLAN OF THE IGG TEA**

26. The Group will discuss future work activities and projects to be implemented by the Secretariat in the coming years. The discussions will be led by a presentation by the Secretariat.

**V. ACTIVITIES IN OTHER ORGANIZATIONS**

27. Observer organizations are invited to inform the Group of their activities on tea.

**VI. OTHER MATTERS****A. ANY OTHER BUSINESS****B. DATE AND PLACE OF THE NEXT SESSION****C. ADOPTION OF THE REPORT**